

AMENDED IN SENATE JUNE 27, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1806

Introduced by Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)

January 10, 2006

~~An act relating to the Budget Act of 2006.~~ *An act to amend Sections 7076, 12587.1, 12950, 13405, 13406, 14612.2, 16418, 68085, 68203, 68661, 77202, and 77209 of, to amend the heading of Chapter 2.3 (commencing with Section 68660) of Title 8 of, and to add Sections 11012.5, 12513.1, 13309, 19822.3, 76104.7, and 84602.1 to, the Government Code, to amend Sections 1348.9 and 53533 of the Health and Safety Code, to amend Sections 1684, 1698, 4603.2 of, to add Section 4903.6 to, and to repeal Section 4903.05 of, the Labor Code, to amend Sections 290.3 and 295 of the Penal Code, to amend Sections 42100, 42101, 42101.1, and 42104 of the Public Resources Code, to add Section 325.6 to the Unemployment Insurance Code, to amend Section 5066 of the Vehicle Code, and to add Article 18.9 (commencing with Section 749.5) to Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1806, as amended, Committee on Budget. ~~Budget Act of 2006.~~
State government.

(1) The Enterprise Zone Act prescribes the duties and responsibilities of the Department of Housing and Community

Development in connection with the establishment of enterprise zones and manufacturing enhancement areas and, until January 1, 2007, authorizes the department and local governments to charge and collect fees in connection with the act and to assess each enterprise zone a fee of not more than \$10 for each application it accepts for the issuance of a specified tax certificate issued by a local government.

This bill would delete the January 1, 2007, inoperative date of the authority to establish, charge, and collect, and the requirement to assess, a fee pursuant to these provisions, thus making the authority and requirement permanent.

(2) Existing law authorizes the Director of General Services to enter into lease purchase agreements with state agencies with respect to various state properties.

Existing law authorizes the State Public Works Board to acquire public buildings for use by state agencies, subject to specified conditions.

Existing law establishes the Service Revolving Fund under the control of the Department of General Services, to be available for expenditure for purposes related to the rental, maintenance, and operating of building space, among other things.

This bill would authorize the Director of General Services to exercise the option to accelerate the vesting of title in the state as set forth in a lease purchase agreement relating to specified state property in Sacramento. It would authorize the board to issue revenue bonds, negotiable notes, or negotiable bond anticipation notes to finance the acquisition of the property, and would authorize the department and the board to borrow funds for this purpose from the Pooled Money Investment Account. It would also continuously appropriate funds derived from the interim and permanent financing or refinancing of the property pursuant to these provisions, and require the department to adjust the Service Revolving Fund in an amount sufficient to repay any loans made by the Pooled Money Investment Account if the bonds are not sold.

(3) Existing law generally authorizes the matters that the Attorney General may prosecute or defend, and authorizes enforcement of those judgments arising out of those matters.

This bill would provide that any person who fails to pay on a timely basis any liability or penalty imposed by or on behalf of any state agency or official, the People of the State of California, the State of California, or any liability or penalty otherwise imposed in any matter

prosecuted by the Attorney General, would be required to pay, in addition to that liability or penalty, interest, reasonable attorneys' fees, and costs for any collection proceedings to enforce payment.

(4) Existing law establishes the Registry of Charitable Trusts Fund, administered by the Department of Justice. Existing law also provides that the moneys in the fund shall be used, upon appropriation by the Legislature, by the Attorney General to operate and maintain the Attorney General's Registry of Charitable Trusts and to provide public access via the Internet to reports filed with the Attorney General.

This bill would additionally authorize the use of those funds to operate and maintain the Registry of Conservators, Guardians, and Trustees.

(5) Existing law requires the Department of Fair Employment and Housing to provide to employers a poster on discrimination in employment and an information sheet on sexual harassment and to obtain multiple copies of this poster and information sheet for distribution from the Office of Documents and Publications of the Department of General Services.

This bill would require the Department of Fair Employment and Housing to make copies of this poster and information sheet available online.

(6) Existing law generally sets forth the duties of the Controller in abolishing and reporting to the Joint Legislative Budget Committee on certain state positions that have been vacant for a specified period of time, and of the Controller and the Director of Finance in the reestablishment of certain abolished positions.

This bill would require the director to reconcile with the Controller, and report to the committee by October 1 of each year, the number of permanent employees by department appointed as full-time or part-time tenure in blanket positions, as defined, for more than 6 consecutive months in the immediately preceding fiscal year.

(7) Existing law requires state agencies to prepare and submit a report on the adequacy of the agency's systems of internal accounting and administrative control by December 31 of each odd-numbered fiscal year and to identify any material inadequacy or material weakness in these systems and a plan and schedule for corrections.

This bill instead would require state agencies to conduct an internal review and prepare a report on the adequacy of the agency's systems of internal accounting and administrative control, to be submitted on

a biennial basis but no later than December 31 of each odd-numbered year. It would require the agency, no later than 30 days after the report is submitted, to provide to the Director of Finance a detailed description of inadequacies and weaknesses identified in the report and a plan and schedule for correcting them. It would further require that this plan and schedule be updated every 6 months until all corrections are completed, and would make additional conforming changes.

(8) Existing law provides that no state agency is required to use the Office of State Publishing for its printing needs until the effective date of the Budget Act of 2006 or July 1, 2006, whichever is later. This provision is repealed as of January 1, 2007.

This bill would extend the application of these provisions until the effective date of the Budget Act of 2007 or July 1, 2007, whichever is later, and would extend the repeal date to January 1, 2008.

(9) Existing law continuously appropriates from the General Fund the lesser of either the unencumbered balance in the General Fund or the difference between the state's appropriation subject to limitation for the fiscal year then ended and its constitutional appropriation limit as jointly estimated by the Legislative Analyst's Office and the Department of Finance, to the Special Fund for Economic Uncertainties.

This bill would instead provide that the funds shall be continuously appropriated from the unencumbered balance in the General Fund to the Special Fund for Economic Uncertainties, and if at the end of the fiscal year it is determined that there are revenues in excess of the amount that may be appropriated to this fund pursuant to Article XIII B of the California Constitution, as determined jointly by the Department of Finance and the Legislative Analyst's office, the appropriation from the General Fund shall be reduced by the amount of the excess revenues.

(10) Under existing law, policy, and bargaining agreements, the state reimburses employees for all necessary and actual expenses they incur when they travel on official state business. The Controller's office has established the California Automated Travel Expense Reimbursement System (CalATERS) for processing travel claims for participating state agencies.

This bill would require all state agencies to implement and use that system to automate processing of employee travel claims by July 1, 2009, unless the Controller recommends and the Department of

Finance approves an exemption request, as specified. The bill would also require the Controller and the Department of Finance to jointly report to the Joint Legislative Budget Committee not later than February 1, 2008, on the approved exemptions.

(11) Existing law requires the Legislature to make an annual appropriation to the Judicial Council for the general operations of the trial courts based upon the request of the Judicial Council. Existing law requires the annual budget request to include a base funding adjustment for operating costs based on the year-to-year change in the state appropriations limit and a separate request for certain nondiscretionary costs necessitated by law or county government that exceed the annual appropriations limit.

This bill would revise and recast these budget request elements by identifying various specific elements of General Fund appropriations to support the trial courts, including a cost-of-living and growth adjustment.

(12) Existing law sets the salaries of the Chief Justice of California, the Associate Justices of the Supreme Court, the presiding and associate justices of the Courts of Appeal, and judges of the superior court, and provides for an annual increase in the salary of each justice and judge based on salary increases for state employees as reported by the Department of Personnel Administration, as specified. Existing law also required, on January 1, 2001, the salary of each justice and judge to be increased by the amount that is produced by multiplying the salary of each justice and judge as of December 31, 2000, by 8½%. Existing law provides for various other percentage increases in the salaries of the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal. Under the California Rules of Court, the Chief Justice is the Chair of the Judicial Council.

This bill would clarify that the annual salary increase for each justice and judge applies to the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal. The bill also would require, on January 1, 2007, the salary of each justice and judge, including the Chair of the Judicial Council, the presiding judges of the superior courts, and the administrative presiding justices of the Courts of Appeal, to be increased by the amount that is produced by multiplying the then-current salary of each justice and judge by 8.5%.

Under the California Constitution, laws that set the salaries of elected state officers are appropriations.

The bill would make an appropriation by increasing the salaries of justices and judges.

(13) Existing law establishes in the judicial branch of state government the California Habeas Corpus Resource Center and specifies the powers and duties of the center, including the authority to employ up to 30 attorneys who may be appointed by the Supreme Court to represent any person convicted and sentenced to death in this state who is without counsel and determined to be indigent, for the purpose of instituting and prosecuting postconviction actions, challenging the legality of the judgment or sentence, and preparing petitions for executive clemency.

This bill would increase to 34 the number of attorneys who may be employed for these purposes, and would make other technical, conforming, nonsubstantive changes to those provisions.

(14) Existing law establishes the Trial Court Trust Fund, and requires the Controller to apportion the proceeds of the fund for the purpose of funding trial court operations. Existing law creates the Trial Court Improvement Fund in the State Treasury, and requires the Judicial Council to reserve funds for court projects by transferring 1% of the amount appropriated for operation of the trial courts to the fund.

Existing law authorizes the Judicial Council to authorize the direct payment or reimbursement or both from either fund to fund administrative infrastructure within the Administrative Office of the Courts for one or more participating courts pursuant to the Budget Act, with the amount of the payment deducted from a participating court's allocation from the Trial Court Trust Fund. Increases in any reimbursements or direct payments in excess of the amount appropriated in the Budget Act require prior written approval of the Department of Finance, and in certain cases, notification of specified legislative committees.

This bill would delete these restrictions and authorize the Judicial Council to authorize the direct payment or reimbursement from either fund to fund the costs of operating one or more trial courts upon the consent of the participating courts. The bill would define the term "costs of operating one or more trial courts" for these purposes. The bill would permit moneys in the Trial Court Trust Fund to be used for, among other things, statewide administrative and information

technology infrastructure supporting the courts. This bill would also require the Controller to transfer \$31,563,000 each fiscal year from the Trial Court Improvement Fund to the Trial Court Trust Fund for allocation to the trial courts for court operations, and would enact other related provisions.

(15) Under existing law, an additional penalty of \$1 is levied for each \$10 or fraction thereof, upon every fine, penalty, or forfeiture collected by the courts for criminal offenses, for the purpose of implementing the DNA Fingerprint, Unsolved Crime and Innocence Protection Act. A percentage of those funds remains with each county, and the rest is deposited into the state's DNA Identification Fund.

This bill would levy an additional \$1 for each \$10 or fraction thereof, upon every fine, penalty, or forfeiture collected by the courts for criminal offenses, and would require all of those funds to be deposited into the state's DNA Identification Fund. The bill would authorize the money to be used to implement that act and to facilitate compliance with the requirement that DNA samples shall be included in the state summary criminal history information.

(16) Existing provisions of the Political Reform Act of 1974 require specified candidates for public office and committees supporting or opposing candidates or ballot measures to periodically file reports with the Secretary of State and certain local officials setting forth information concerning contributions they received and expenditures they made during the specified reporting period. Existing provisions of the act also require lobbyists, lobbying firms, and lobbyist employers to periodically file specified reports and statements with the Secretary of State.

Existing law, the Online Disclosure Act, requires the Secretary of State to develop a process whereby reports and statements that are required under the act to be filed with the Secretary of State are filed online or electronically and viewed by the public at no cost on an online disclosure system. Existing law establishes timeframes under which the Secretary of State is to implement this process.

This bill would require the Secretary of State to implement, no later than June 30, 2007, the Online Disclosure Act, including completing online lobbying registration forms so that the forms can be filed online. The bill would also require the secretary to report, on or before February 1, 2007, to the Legislature on 3 issues with respect to the implementation and development of the online and electronic filing and disclosure requirements and the status of the development

of a means or method whereby filers subject to the act may submit required filings free of charge. The bill would require the secretary to make additional reports every 6 months after the first report is due until all filers who are required to file reports online or electronically are able to do so free of charge.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that these provisions further the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

(17) Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. The act establishes the Consumer Participation Program that, until January 1, 2007, authorizes the director of the department to award reasonable fees to a person or organization for making a substantial contribution on behalf of consumers to the adoption of a regulation or an order or decision having the potential to impact a significant number of plan enrollees.

This bill would extend the duration of the Consumer Participation Program to January 1, 2012.

(18) Existing law states certain findings and declarations of the Legislature concerning the development of housing in downtown areas and in close proximity to mass transit systems. Existing law also establishes a schedule for the allocation of certain revenue that is derived from the sale of bonds pursuant to the Housing and Emergency Shelter Trust Fund Act of 2002 and deposited in the Housing Rehabilitation Loan Fund, which is continuously appropriated, to various funds, programs, and projects.

This bill would state the determination of the Legislature that a more efficient and effective use of unused student housing funds provided by the Housing and Emergency Shelter Trust Fund Act of 2002, through the Multifamily Housing Program, would be to make those funds available to transit oriented Downtown Rebound Program rental housing projects. The bill would also revise the allocation of those funds to make them available to transit oriented Downtown Rebound Program rental housing projects, thereby making an appropriation.

(19) Existing law requires a farm labor contractor to be licensed. A contractor must pay specific license fees to the Labor Commissioner for the issuance or renewal of his or her contractor's license. The commissioner, in turn, is required to deposit a portion of those fees into the Farmworker Remedial Account, which is a continuously appropriated special fund, to pay claims from persons damaged by unlicensed contractors or where the claim exceeds the amount of the contractor's bond.

This bill would raise the amount from each license fee received that the commissioner is required to deposit into the Farmworker Remedial Account from \$50 to \$150, thereby making an appropriation.

(20) Existing workers' compensation law requires employers to secure the payment of workers' compensation, including medical treatment, for injuries incurred by their employees that arise out of, or in the course of, employment. Existing law generally requires an employer to pay for medical treatment provided or authorized by the treating physician selected by the employee, or designated by the employer. Existing law requires an application for adjudication and a declaration of readiness to proceed to be filed with the Workers' Compensation Appeals Board with respect to a disputed claim. Existing law authorizes a medical provider to file a lien claim with the appeals board for certain expenses incurred by the provider. In the event of a contested claim, existing law requires payment of a filing fee of \$100 for each initial lien filed by or on behalf of a provider, except as specified, for reasonable expenses incurred by or on behalf of the injured employee and, to the extent that the employee is entitled to reimbursement, as specified, for medical-legal expenses. This fee is required to be deposited in the Workers' Compensation Administration Revolving Fund. Existing law also requires that the provider be reimbursed for this filing fee in the event that a contested amount is determined payable by the appeals board.

This bill would specify the time limits and procedures applicable to filing provider liens and applications for adjudication, and would eliminate the filing fee requirement. The bill would provide that these limitations do not apply to filings on behalf of the employee or employer, as specified. The bill would require the appeals board to adopt reasonable regulations to ensure compliance with these provisions, and to take any other necessary enforcement steps, including the imposition of sanctions.

(21) Existing law provides that certain fines for persons convicted of sex offenses are deposited in the General Fund for allocation by the Controller to, among others, the Department of Justice DNA Testing Fund, and to counties that maintain local DNA testing laboratories, as specified.

This bill would, instead of allocating moneys to the Department of Justice DNA Testing Fund and the counties, as specified, allocate those moneys to the DNA Identification Fund, as specified, and would make other conforming changes.

(22) Existing law requires the Business, Transportation and Housing Agency, in collaboration with the Department of Toxic Substances Control, the State Air Resources Board, the State Water Resources Control Board, and the Financial Development Corporations, as defined, to develop a loan guarantee program for chrome plating facilities to assist those facilities to purchase high performance environmental control equipment or technologies. Existing law requires the department to establish the Model Shop Program in northern California by replicating an existing Chrome Plating Model Shop Pilot Program in southern California. Existing law requires the money in the Chrome Plating Pollution Prevention Fund to be expended by the agency, upon appropriation by the Legislature, to make specified loan guarantees, and for administrative costs, and requires the agency to make loan guarantees available only to a generator that is a small business and meets other requirements.

This bill would override that the businesses eligible for the guaranteed loans and Model Shop Program, as specified, are metal plating facilities. This bill would expand the definition of chrome plating to include chromic acid anodizing, and would revise the definition of metal plating facilities to include chrome plating facilities.

(23) Existing law authorizes the Employment Development Department to perform various functions and duties with respect to job creation and retention activities.

This bill would state the intent of the Legislature that state supported Veterans Employment Training services meet the same performance standards as those required by the federal Workforce Investment Act for services provided to veterans. This bill would also require the Employment Development Department to submit an annual report to the Legislature, as provided, following any fiscal

year in which state funds support the Veterans Employment Training services program.

(24) Existing law requires the Department of Motor Vehicles to transfer specified revenue derived from California memorial license plates to the Antiterrorism Fund. Existing law requires, upon appropriation, one-half of the money in the fund to be allocated by the Controller to the Office of Criminal Justice Planning to be used for antiterrorism activities, as defined. Existing law abolishes the Office of Criminal Justice Planning, and requires the Director of Finance to designate an agency or agencies to carry out the functions of the office, as specified.

This bill, instead, would require the Controller to allocate that money, upon appropriation, to the Office of Emergency Services to be used for antiterrorism activities.

(25) The Division of Juvenile Parole Operations, which is part of the Division of Juvenile Justice in the Department of Corrections and Rehabilitation, is charged with the responsibility to monitor and supervise the reentry into society of youthful offenders under the jurisdiction of the department, and to promote the successful reintegration of youthful offenders into society.

This bill would establish the Juvenile Justice Community Reentry Challenge Grant Program to be administered by the Division of Juvenile Justice, in consultation with the Corrections Standards Authority, to award grants on a competitive basis to counties and nonprofit organizations to provide specified wrap-around services to juvenile parolees. The bill would require the division to implement, in consultation with the Corrections Standards Authority, the Chief Probation Officers of California, and experts in the field of California juvenile justice programs, minimum standards, funding schedules, and procedures for awarding the grant moneys. The bill would require grant recipients to establish and track outcomes of the program, as specified, and would further require the division to submit an interim report to the Legislature by March 1, 2009, and a final analysis of the program by March 1, 2011.

(26) Under existing law, the Department of Veterans Affairs has specified powers and duties relating to military veterans.

This bill would require the department, by February 1, 2007, to submit a report to the fiscal committees of both houses of the Legislature regarding possible strategies for increasing the number of California veterans receiving federal benefits. The bill would specify

the required contents of the report, and would require the department to consult with certain persons and entities in its preparation.

(27) The Teachers' Retirement Law establishes the Defined Benefit Program in the Teachers' Retirement Plan that provides retirement and disability benefits to members of the program. That law requires, if funds are available, quarterly supplemental payments to retired members, disabled members, and beneficiaries from the Supplemental Benefit Maintenance Account to restore up to 80% of the purchasing power of the initial monthly allowances provided under the Defined Benefit Program. That law requires a continuous appropriation made annually from the General Fund for transfer to the Teachers' Retirement Fund and the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund, as specified.

This bill would make an appropriation of \$613,753 from the General Fund for transfer to the Supplemental Benefit Maintenance Account to correct errors made in calculating contributions payable by the state to that account. This bill would require the appropriation from the General Fund for transfer to the Teachers' Retirement Fund for the 2006–07 fiscal year to be reduced by \$122,104,066, to correct errors made in calculating contributions payable by the state to the Teachers' Retirement Fund.

(28) This bill would declare that it is to take effect immediately as an urgency statute.

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2006.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~-yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to enact~~
2 ~~statutory changes relating to the Budget Act of 2006.~~

3 *SECTION 1. Section 7076 of the Government Code is*
4 *amended to read:*

5 7076. (a) (1) The department shall provide technical
6 assistance to the enterprise zones designated pursuant to this
7 chapter with respect to all of the following activities:

8 (A) Furnish limited onsite assistance to the enterprise zones
9 when appropriate.

1 (B) Ensure that the locality has developed a method to make
2 residents, businesses, and neighborhood organizations aware of
3 the opportunities to participate in the program.

4 (C) Help the locality develop a marketing program for the
5 enterprise zone.

6 (D) Coordinate activities of other state agencies regarding the
7 enterprise zones.

8 (E) Monitor the progress of the program.

9 (F) Help businesses to participate in the program.

10 (2) Notwithstanding existing law, the provision of services in
11 subparagraphs (A) to (F), inclusive, shall be a high priority of the
12 department.

13 (3) The department may, at its discretion, undertake other
14 activities in providing management and technical assistance for
15 successful implementation of this chapter.

16 (b) The applicant shall be required to begin implementation of
17 the enterprise zone plan contained in the final application within
18 six months after notification of final designation or the enterprise
19 zone shall lose its designation.

20 (c) The department may establish, charge, and collect a fee as
21 reimbursement for the costs of its administration of this chapter.
22 The department shall assess each enterprise zone a fee of not
23 more than ten dollars (\$10) for each application it accepts for
24 issuance of a certificate pursuant to subdivision (c) of Section
25 17053.74 of the Revenue and Taxation Code and subdivision (c)
26 of Section 23622.7 of the Revenue and Taxation Code. The
27 enterprise zone administrator may collect this fee at the time ~~it~~ *he*
28 *or she* accepts an application for issuance of a certificate. ~~This~~
29 ~~subdivision shall become inoperative on January 1, 2007, and~~
30 ~~shall have no force or effect on or after that date.~~

31 (d) Any fee assessed and collected pursuant to subdivision (c)
32 shall be refundable if the certificate issued by the local
33 government pursuant to subdivision (c) of Section 17053.74 of
34 the Revenue and Taxation Code and subdivision (c) of Section
35 23622.7 of the Revenue and Taxation Code is not accepted by
36 the Franchise Tax Board.

37 *SEC. 2. Section 11012.5 is added to the Government Code, to*
38 *read:*

39 *11012.5. (a) The Director of General Services may exercise*
40 *the option to accelerate the vesting of title in the state as set forth*

1 in the lease purchase agreement dated as of December 29, 1993,
2 of the land and buildings located in the City and County of
3 Sacramento, California, consisting of the entire office building
4 located at 450 “N” Street containing approximately 616,730
5 gross square feet, a parking garage, including approximately
6 711 exclusive parking spaces, on the block bounded by “N”
7 Street and “O” Street, 4th Street and 5th Street, and all
8 associated improvements, for a price not to exceed eighty-one
9 million dollars (\$81,000,000).

10 (b) (1) The State Public Works Board may issue revenue
11 bonds, negotiable notes, or negotiable bond anticipation notes
12 pursuant to the State Building Construction Act of 1955 (Part
13 10b (commencing with Section 15800)) to finance the acquisition
14 of the facilities authorized by subdivision (a) by exercise of the
15 option to accelerate.

16 (2) The Department of General Services and the State Public
17 Works Board may borrow funds for the acquisition and related
18 project costs from the Pooled Money Investment Account
19 pursuant to Sections 16312 and 16313.

20 (3) The amount of revenue bonds, negotiable notes, or
21 negotiable bond anticipation notes to be sold shall equal the cost
22 of acquisition by exercise of the option to accelerate, any
23 additional sums necessary to pay interim and permanent
24 financing costs and costs of issuance of the bonds. The additional
25 amount may include interest, a reasonable required reserve fund,
26 and the Department of General Services’ costs and expenses
27 incurred with the exercise of the option to accelerate.

28 (c) In the event the bonds authorized for the projects are not
29 sold, the Department of General Services shall adjust the Service
30 Revolving Fund by an amount sufficient to repay any loans made
31 by the Pooled Money Investment Account.

32 (d) Notwithstanding Section 13340, funds derived from the
33 interim and permanent financing or refinancing of the facilities
34 specified in this section are hereby continuously appropriated
35 without regard to fiscal years for these purposes.

36 SEC. 3. Section 12513.1 is added to the Government Code, to
37 read:

38 12513.1. Any person who fails to pay on a timely basis any
39 liability or penalty imposed by or on behalf of any state agency
40 or official, the People of the State of California, the State of

1 *California, or any liability or penalty otherwise imposed in any*
2 *matter prosecuted by the Attorney General, shall be required to*
3 *pay, in addition to that liability or penalty, interest, reasonable*
4 *attorneys' fees, and costs for any collection proceedings to*
5 *enforce payment.*

6 *SEC. 4. Section 12587.1 of the Government Code is amended*
7 *to read:*

8 12587.1. (a) The Registry of Charitable Trusts Fund is
9 hereby established in the State Treasury, to be administered by
10 the Department of Justice.

11 (b) Notwithstanding any other provision of law, all registration
12 fees, registration renewal fees, and late fees or other fees paid to
13 the Department of Justice pursuant to this article, Section 2850 of
14 the Probate Code, or Section 320.5 of the Penal Code, shall be
15 deposited in the Registry of Charitable Trusts Fund.

16 (c) Moneys in the fund, upon appropriation by the Legislature,
17 shall be used by the Attorney General solely to operate and
18 maintain the Attorney General's Registry of Charitable Trusts
19 *and Registry of Conservators, Guardians, and Trustees*, and
20 provide public access via the Internet to reports filed with the
21 Attorney General.

22 *SEC. 5. Section 12950 of the Government Code is amended to*
23 *read:*

24 12950. In addition to employer responsibilities set forth in
25 subdivisions (j) and (k) of Section 12940 and in rules adopted by
26 the department and the commission, every employer shall act to
27 ensure a workplace free of sexual harassment by implementing
28 the following minimum requirements:

29 (a) The department shall amend its current poster on
30 discrimination in employment to include information relating to
31 the illegality of sexual harassment. This amended poster shall be
32 distributed to employers when the supply of the current poster is
33 exhausted. One copy of the amended poster shall be provided by
34 the department to an employer upon request. The amended poster
35 shall be available at each office of the department, and shall be
36 mailed if the request includes a self-addressed envelope with
37 postage affixed. Multiple copies of the amended poster shall be
38 ~~obtained through the Office of Documents and Publications of~~
39 ~~the Department of General Services~~ *made available online by the*
40 *Department of Fair Employment and Housing.* Each employer

1 shall post the amended poster in a prominent and accessible
2 location in the workplace.

3 (b) Each employer shall obtain from the department its
4 information sheet on sexual harassment, which the department
5 shall make available to employers for reproduction and
6 distribution to employees. One copy of the information sheet
7 shall be provided by the department to an employer upon request.
8 The information sheets shall be available at each office of the
9 department, and shall be mailed if the request includes a
10 self-addressed envelope with postage affixed. Multiple copies of
11 the information sheet shall be ~~obtained through the Office of~~
12 ~~Documents and Publications of the Department of General~~
13 ~~Services made available online by the Department of Fair~~
14 ~~Employment and Housing~~. Each employer shall distribute this
15 information sheet to its employees, unless the employer provides
16 equivalent information to its employees that contains, at a
17 minimum, components on the following:

18 (1) The illegality of sexual harassment.

19 (2) The definition of sexual harassment under applicable state
20 and federal law.

21 (3) A description of sexual harassment, utilizing examples.

22 (4) The internal complaint process of the employer available
23 to the employee.

24 (5) The legal remedies and complaint process available
25 through the department and the commission.

26 (6) Directions on how to contact the department and the
27 commission.

28 (7) The protection against retaliation provided by Section
29 7287.8 of Title 2 of the California Code of Regulations for
30 opposing the practices prohibited by this article or for filing a
31 complaint with, or otherwise participating in an investigation,
32 proceeding, or hearing conducted by, the department or the
33 commission.

34 (c) The information sheet or information required to be
35 distributed to employees pursuant to subdivision (b) shall be
36 delivered in a manner that ensures distribution to each employee,
37 such as including the information sheet or information with an
38 employee's pay.

39 (d) Notwithstanding subdivisions (j) and (k) of Section 12940,
40 a claim that the information sheet or information required to be

distributed pursuant to this section did not reach a particular individual or individuals shall not in and of itself result in the liability of any employer to any present or former employee or applicant in any action alleging sexual harassment. Conversely, an employer's compliance with this section does not insulate the employer from liability for sexual harassment of any current or former employee or applicant.

(e) If an employer violates the requirements of this section, the commission shall issue an order requiring the employer to comply with these requirements.

SEC. 6. Section 13309 is added to the Government Code, to read:

13309. (a) The Director of Finance shall reconcile with the Controller, and report to the Joint Legislative Budget Committee by October 1 of each year, the number of permanent employees by department appointed as full-time or part-time tenure in blanket positions for more than six consecutive months in the immediately preceding fiscal year.

(b) For purposes of this section, "blanket positions" are those positions included in the temporary help category for purposes of the state budget.

SEC. 7. Section 13405 of the Government Code is amended to read:

13405. (a) To ensure that the requirements of this ~~section~~ chapter are fully complied with, the head of each state agency ~~which that the director determines is covered by this section shall prepare and submit a report, on a biennial basis but no later than December 31 of each odd-numbered year, conduct an internal review and prepare a report on the adequacy of the agency's systems of internal accounting and administrative control by December 31, 1983, and by December 31 following the end of each odd-numbered fiscal year thereafter in accordance with the guide prepared by the director pursuant to subdivision (d).~~

(b) The report, including the state agency's response to ~~report~~ review recommendations, shall be signed by the head of the agency and addressed to the agency secretary, or the director ~~of finance~~ for agencies without ~~an agency~~ a secretary. Copies of the reports shall be ~~forwarded~~ submitted to the Legislature, the State Auditor, the Governor, and the ~~Director of Finance~~. Copies of

1 ~~these reports shall also be forwarded~~ *director; and* to the State
2 Library where they shall be available for public inspection.

3 ~~(e) By January 1, 1983, the director, in consultation with the~~
4 ~~State Auditor and the Controller, shall establish a system of~~
5 ~~reporting and a general framework to guide the agencies in~~
6 ~~performing evaluations on their systems of internal accounting~~
7 ~~and administrative control. The director, in consultation with the~~
8 ~~State Auditor and the Controller, may modify the format for the~~
9 ~~report or the framework for conducting the evaluations from time~~
10 ~~to time as deemed necessary.~~

11 ~~(d) Any~~

12 ~~(c) The report shall identify any material inadequacy or~~
13 ~~material weakness in an agency's systems of internal accounting~~
14 ~~and administrative control which that prevents the head of the~~
15 ~~agency from stating that the agency's systems of internal~~
16 ~~accounting and administrative control provided reasonable~~
17 ~~assurances that each of the objectives specified above was~~
18 ~~achieved, shall be identified and the plans and schedule for~~
19 ~~correcting any such inadequacy described in detail comply with~~
20 ~~this chapter. No later than 30 days after the report is submitted,~~
21 ~~the agency shall provide to the director a plan and schedule for~~
22 ~~correcting the identified inadequacies and weaknesses, which~~
23 ~~shall be updated every six months until all corrections are~~
24 ~~completed.~~

25 ~~(d) The director, in consultation with the State Auditor and the~~
26 ~~Controller, shall establish, and may modify from time to time as~~
27 ~~necessary, a system of reporting and a general framework to~~
28 ~~guide state agencies in conducting internal reviews of their~~
29 ~~systems of internal accounting and administrative control.~~

30 ~~SEC. 8. Section 13406 of the Government Code is amended to~~
31 ~~read:~~

32 13406. (a) The head of the internal audit staff of a state
33 agency or a division, as specified by the director, or, in the event
34 there is no internal audit function, a professional accountant, if
35 available on the staff, designated as the internal control person by
36 the head of the state agency or a division, shall receive and
37 investigate any allegation that an employee of the agency
38 provided false or misleading information in connection with the
39 ~~evaluation~~ review of the agency's systems of internal accounting
40 and administrative control or in connection with the preparation

1 of the ~~annual~~ *biennial* report on the systems of internal
2 accounting and administrative control.

3 (b) If, in connection with any investigation under subdivision
4 (a), the head of the internal audit staff or the designated internal
5 control person determines that there is reasonable cause to
6 believe that false or misleading information was provided, he or
7 she shall report in writing that determination to the head of the
8 agency or the division.

9 (c) The head of the agency or division shall review any matter
10 referred to him *or her* under subdivision (b), shall take such
11 disciplinary or corrective action as he *or she* deems necessary,
12 and shall forward a copy of the report, indicating therein the
13 action taken, to the director within 90 days of the date of the
14 report.

15 *SEC. 9. Section 14612.2 of the Government Code is amended*
16 *to read:*

17 14612.2. (a) Notwithstanding Chapter 7 (commencing with
18 Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section
19 14901 of, the Government Code, no agency is required to use the
20 Office of State Publishing for its printing needs and the Office of
21 State Publishing may offer printing services to both state and
22 other public agencies, including cities, counties, special districts,
23 community college districts, the California State University, the
24 University of California, and agencies of the United States
25 government. When soliciting bids for printing services from the
26 private sector, all state agencies shall also solicit a bid from the
27 Office of State Publishing when the project is anticipated to cost
28 more than five thousand dollars (\$5,000).

29 (b) This section shall remain operative only until the effective
30 date of the Budget Act of ~~2006~~ 2007 or July 1, ~~2006~~ 2007,
31 whichever is later, and as of January 1, ~~2007~~ 2008, is repealed,
32 unless a later enacted statute that is enacted before January 1,
33 2007 2008, deletes or extends the dates on which it becomes
34 inoperative and is repealed.

35 *SEC. 10. Section 16418 of the Government Code is amended*
36 *to read:*

37 16418. (a) The Special Fund for Economic Uncertainties is
38 hereby created in the State Treasury and is continuously
39 appropriated for the purposes of this section. The contingency
40 reserve for economic uncertainties established within the General

1 Fund by Section 12.3 of the Budget Act of 1980 is hereby
2 discontinued, and any balance in that reserve shall be transferred
3 to the Special Fund for Economic Uncertainties. This special
4 fund represents a reserve fund within the meaning of Section 5 of
5 Article XIII B of the California Constitution. Notwithstanding
6 Sections 16310 and 16314, the Controller may transfer as
7 necessary from the Special Fund for Economic Uncertainties or
8 from the special accounts in the General Fund to the General
9 Fund ~~such~~ amounts ~~as~~ *that* are needed to meet cash needs of the
10 General Fund. The Controller shall return all ~~such of the~~ moneys
11 so transferred without payment of interest as soon as there are
12 sufficient moneys in the General Fund.

13 (b) The Controller shall transfer from the Special Fund for
14 Economic Uncertainties to the unappropriated balance of the
15 General Fund an amount necessary to eliminate any General
16 Fund deficit as of the end of each fiscal year, commencing as of
17 June 30, 1985. The amount of transfer for each fiscal year shall
18 be determined on the basis of the State of California Preliminary
19 Annual Report--Accrual Basis, for ~~such~~ *that* fiscal year. Any
20 subsequent adjustments shall be determined jointly by the
21 Controller and the Director of Finance.

22 (c) Notwithstanding Section 13340, moneys in the Special
23 Fund for Economic Uncertainties ~~is~~ *are* hereby continuously
24 appropriated without regard to fiscal years to the Director of
25 Finance for the purpose of allocating funds for disaster relief
26 pursuant to Chapter 5 (commencing with Section 194) and
27 Chapter 6 (commencing with Section 197) of Part 1 of Division 1
28 of the Revenue and Taxation Code. However, any allocation
29 made by the director pursuant to this subdivision shall not be
30 made sooner than 30 days after notification in writing of the
31 necessity therefor is provided to the Joint Legislative Budget
32 Committee.

33 (d) For budgeting and accounting purposes, any appropriations
34 heretofore or hereafter made specifically from the Special Fund
35 for Economic Uncertainties, other than appropriations contained
36 in this section, shall be deemed an appropriation from the
37 General Fund. For year-end reporting purposes, the Controller
38 shall add the balance in the Special Fund for Economic
39 Uncertainties to the balance in the General Fund so as to show
40 the total moneys then available for General Fund purposes.

(e) (1) Notwithstanding Section 13340, there is hereby appropriated from the General Fund, without regard to fiscal years, for transfer by the Controller to the Special Fund for Economic Uncertainties as of the end of each fiscal year, ~~the lesser of the following amount: the unencumbered balance in the General Fund.~~

~~(1) The unencumbered balance in the General Fund.~~

~~(2) The difference between the state's "appropriations subject to limitation" for the fiscal year then ended and its "appropriation limit" as defined in Section 8 of Article XIII B of the California Constitution and established in the Budget Act for that fiscal year, as jointly estimated by the Legislative Analyst's office and the Department of Finance.~~

(2) If, at the end of any fiscal year in which it has been determined that there are revenues in excess of the amount that may be appropriated, as defined in subdivision (a) of Section 2 of Article XIII B of the California Constitution, the transfer pursuant to paragraph (1) shall be reduced by the amount of these excess revenues. The estimates of the transfer shall be made jointly by the Department of Finance and the Legislative Analyst's Office.

SEC. 11. Section 19822.3 is added to the Government Code, to read:

19822.3. All state agencies shall implement and use the California Automated Travel Expense Reimbursement System (CalATERS) to automate processing of employee travel claims by July 1, 2009, unless the Controller recommends, and the Department of Finance approves, an exemption request. To request an exemption, a department or agency shall submit documentation to the Controller no later July 1, 2007, to substantiate that the implementation of CalATERS is not feasible or cost-effective for that department or agency. The Department of Finance and the Controller shall jointly report to the Joint Legislative Budget Committee, not later than February 1, 2008, on the exemptions that have been approved and the bases for the exemptions.

SEC. 12. Section 68085 of the Government Code is amended to read:

68085. (a) (1) There is hereby established the Trial Court Trust Fund, the proceeds of which shall be apportioned ~~at least~~

1 ~~quarterly for the purpose of funding~~ *purposes authorized in this*
2 ~~section, including apportionment to the trial courts to fund trial~~
3 ~~court operations, as defined in Section 77003. Apportionment~~
4 ~~payments may not exceed 30 percent of the total annual~~
5 ~~apportionment to the Trial Court Trust Fund for state trial court~~
6 ~~funding in any 90-day period.~~

7 (2) The apportionment payments shall be made by the
8 Controller. The final payment from the Trial Court Trust Fund
9 for each fiscal year shall be made on or before August 31 of the
10 subsequent fiscal year.

11 (3) ~~If apportionment payments are made on a quarterly basis,~~
12 ~~the payments shall be on July 15, October 15, January 15, and~~
13 ~~April 15. In addition to quarterly payments, a final payment from~~
14 ~~the Trial Court Trust Fund for each fiscal year may be made on~~
15 ~~or before August 31 of the subsequent fiscal year.~~

16 (4)

17 (A) Notwithstanding any other provision of law, in order to
18 promote statewide efficiency, the Judicial Council may authorize
19 the direct payment or reimbursement or both of actual costs from
20 the Trial Court Trust Fund or the Trial Court Improvement Fund
21 to ~~fund administrative infrastructure within the Administrative~~
22 ~~Office of the Courts, such as legal services, financial services,~~
23 ~~information systems services, human resource services, and~~
24 ~~support services, for one or more participating courts upon~~
25 ~~appropriation of funding for these purposes in the annual Budget~~
26 ~~Act. The amount of appropriations from the Trial Court~~
27 ~~Improvement Fund under this subdivision may not exceed 20~~
28 ~~percent of the amount deposited in the Trial Court Improvement~~
29 ~~Fund pursuant to subdivision (a) of Section 77205. Upon prior~~
30 ~~written approval of the Director of Finance, the Judicial Council~~
31 ~~may also authorize an increase in any reimbursements or direct~~
32 ~~payments in excess of the amount appropriated in the annual~~
33 ~~Budget Act. For any increases in reimbursements or direct~~
34 ~~payments within the fiscal year that exceed two hundred~~
35 ~~thousand dollars (\$200,000), the Director of Finance shall~~
36 ~~provide notification in writing of any approval granted under this~~
37 ~~section, not less than 30 days prior to the effective date of that~~
38 ~~approval, to the chairperson of the committee in each house of~~
39 ~~the Legislature that considers appropriations, the chairpersons of~~
40 ~~the committees and the appropriate subcommittees in each house~~

1 of the Legislature that consider the annual Budget Act, and the
2 Chairperson of the Joint Legislative Budget Committee, or not
3 sooner than whatever lesser time the Chairperson of the Joint
4 Legislative Budget Committee, or his or her designee, may in
5 each instance, determine the costs of operating one or more trial
6 courts upon the consent of participating courts. These paid or
7 reimbursed costs may be for services provided to the court or
8 courts by the Administrative Office of the Courts or payment for
9 services or property of any kind contracted for by the court or
10 courts or on behalf of the courts by the Administrative Office of
11 the Courts. The amount of appropriations from the Trial Court
12 Improvement Fund under this subdivision may not exceed 20
13 percent of the amount deposited in the Trial Court Improvement
14 Fund pursuant to subdivision (a) of Section 77205. The direct
15 payment or reimbursement of costs from the Trial Court Trust
16 Fund may be supported by the reduction of a participating court's
17 allocation from the Trial Court Trust Fund to the extent that the
18 court's expenditures for the program are reduced and the court is
19 supported by the program expenditure. The Judicial Council shall
20 provide the affected trial courts with quarterly reports on
21 expenditures from the Trial Court Trust Fund incurred as
22 authorized by this subdivision. The Judicial Council shall
23 establish procedures to provide for the administration of this
24 paragraph in a way that promotes the effective, efficient, reliable,
25 and accountable operation of the trial courts.

26 (B) As used in subparagraph (A), the term "costs of operating
27 one or more trial courts" includes any expenses related to
28 operation of the court or performance of its functions, including,
29 but not limited to, statewide administrative and information
30 technology infrastructure supporting the courts. The term "costs
31 of operating one or more trial courts" is not restricted to items
32 considered "court operations" pursuant to Section 77003, but is
33 subject to policies, procedures, and criteria established by the
34 Judicial Council, and may not include an item that is a cost that
35 must otherwise be paid by the county or city and county in which
36 the court is located.

37 (b) Notwithstanding any other provision of law, the fees listed
38 in subdivision (c) shall all be deposited upon collection in a
39 special account in the county treasury, and transmitted monthly
40 to the Controller for deposit in the Trial Court Trust Fund.

(c) (1) Except as specified in subdivision (d), this section applies to all fees collected on or before December 31, 2005, pursuant to Sections 631.3, 116.230, and 403.060 of the Code of Civil Procedure and Sections 26820.4, 26823, 26826, 26826.01, 26827, 26827.4, 26830, 26832.1, 26833.1, 26835.1, 26836.1, 26837.1, 26838, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, 26862, 68086, 72055, 72056, 72056.01, and 72060.

(2) Notwithstanding any other provision of law, except as specified in subdivision (d) of this section and subdivision (a) of Section 68085.7, this section applies to all fees and fines collected on or before December 31, 2005, pursuant to Sections 116.390, 116.570, 116.760, 116.860, 177.5, 491.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of the Government Code, and subdivisions (b) and (c) of Section 166 and Section 1214.1 of the Penal Code.

(3) If any of the fees provided for in this subdivision are partially waived by court order, and the fee is to be divided between the Trial Court Trust Fund and any other fund, the amount of the partial waiver shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 that is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238. This section also does not apply to fees collected pursuant to subdivisions (a) and (c) of Section 27361.

(e) This section applies to all payments required to be made to the State Treasury by any county or city and county pursuant to Section 77201, 77201.1, or 77205.

(f) Notwithstanding any other provision of law, no agency may take action to change the amounts allocated to any of the funds described in subdivision (a), (b), (c), or (d).

1 (g) The Judicial Council shall reimburse the Controller for the
2 actual administrative costs that will be incurred under this
3 section. Costs reimbursed under this section shall be determined
4 on an annual basis in consultation with the Judicial Council.

5 (h) Any amounts required to be transmitted by a county or city
6 and county to the state pursuant to this section shall be remitted
7 to the Controller no later than 45 days after the end of the month
8 in which the fees were collected. This remittance shall be
9 accompanied by a remittance advice identifying the collection
10 month and the appropriate account in the Trial Court Trust Fund
11 to which it is to be deposited. Any remittance that is not made by
12 the county or city and county in accordance with this section
13 shall be considered delinquent, and subject to the penalties
14 specified in this section.

15 (i) Upon receipt of any delinquent payment required pursuant
16 to this section, the Controller shall calculate a penalty on any
17 delinquent payment by multiplying the amount of the delinquent
18 payment at a daily rate equivalent to 1 ½ percent per month for
19 the number of days the payment is delinquent. Notwithstanding
20 Section 77009, any penalty on a delinquent payment that a court
21 is required to reimburse to a county's general fund pursuant to
22 this section and Section 24353 shall be paid from the Trial Court
23 Operations Fund for that court.

24 (j) Penalty amounts calculated pursuant to subdivision (i) shall
25 be paid by the county to the Trial Court Trust Fund no later than
26 45 days after the end of the month in which the penalty was
27 calculated.

28 (k) The Trial Court Trust Fund shall be invested in the Surplus
29 Money Investment Fund and all interest earned shall be allocated
30 to the Trial Court Trust Fund quarterly and shall be allocated
31 among the courts in accordance with the requirements of
32 subdivision (a). The specific allocations shall be specified by the
33 Judicial Council.

34 (l) It is the intent of the Legislature that the revenues required
35 to be deposited into the Trial Court Trust Fund be remitted as
36 soon after collection by the courts as possible.

37 (m) Except for subdivisions (a) and (k), this section does not
38 apply to fees and fines that are listed in subdivision (a) of Section
39 68085.1 that are collected on or after January 1, 2006.

1 *SEC. 13. Section 68203 of the Government Code is amended*
2 *to read:*

3 68203. (a) On July 1, 1980, and on July 1 of each year
4 thereafter, the salary of each justice and judge named in Sections
5 68200 to 68202, inclusive, *and 68203.1* shall be increased by ~~that~~
6 ~~the amount—~~*which that* is produced by multiplying the then
7 current salary of each justice or judge by the average percentage
8 salary increase for the current fiscal year for California State
9 employees; provided, that in any fiscal year in which the
10 Legislature places a dollar limitation on salary increases for state
11 employees the same limitation shall apply to judges in the same
12 manner applicable to state employees in comparable wage
13 categories.

14 (b) For the purposes of this section, salary increases for state
15 employees shall be ~~such~~ *those* increases as reported by the
16 Department of Personnel Administration.

17 (c) The salary increase for judges and justices made on July 1,
18 1980, for the 1980–81 fiscal year, shall in no case exceed ~~five~~ 5
19 percent.

20 (d) On January 1, 2001, the salary of the justices and judges
21 named in Sections 68200 to 68202, inclusive, shall be increased
22 by ~~that the amount—~~*which that* is produced by multiplying the
23 salary of each justice and judge as of December 31, 2000, by 8½
24 percent.

25 (e) *On January 1, 2007, the salary of the justices and judges*
26 *identified in Sections 68200 to 68202, inclusive, and 68203.1*
27 *shall also be increased by the amount that is produced by*
28 *multiplying the salary of each justice and judge as of December*
29 *31, 2006, by 8.5 percent.*

30 *SEC. 14. The heading of Chapter 2.3 (commencing with*
31 *Section 68660) of Title 8 of the Government Code is amended to*
32 *read:*

33
34 CHAPTER 2.3. CALIFORNIA HABEAS CORPUS
35 RESOURCE CENTER
36

37 *SEC. 15. Section 68661 of the Government Code is amended*
38 *to read:*

68661. There is hereby created in the judicial branch of state government the California Habeas Corpus Resource Center, which shall have all of the following general powers and duties:

(a) To employ up to ~~30~~ 34 attorneys who may be appointed by the Supreme Court to represent any person convicted and sentenced to death in this state; who is without counsel, and who is determined by a court of competent jurisdiction to be indigent, for the purpose of instituting and prosecuting postconviction actions in the state and federal courts, challenging the legality of the judgment or sentence imposed against that person, and preparing petitions for executive clemency. Any such appointment may be concurrent with the appointment of the State Public Defender or other counsel for purposes of direct appeal under Section 11 of Article VI of the California Constitution.

(b) To seek reimbursement for representation and expenses pursuant to Section 3006A of Title 18 of the United States Code when providing representation to indigent persons in the federal courts and process those payments via the Federal Trust Fund.

(c) To work with the Supreme Court in recruiting members of the private bar to accept death penalty habeas case appointments.

(d) To establish and periodically update a roster of attorneys qualified as counsel in postconviction proceedings in capital cases.

(e) To establish and periodically update a roster of experienced investigators and experts who are qualified to assist counsel in postconviction proceedings in capital cases.

(f) To employ investigators and experts as staff to provide services to appointed counsel upon request of counsel, provided that ~~where~~ when the provision of those services is to private counsel under appointment by the Supreme Court, those services shall be pursuant to contract between appointed counsel and the center.

(g) To provide legal or other advice or, to the extent not otherwise available, any other assistance to appointed counsel in postconviction proceedings as is appropriate ~~where~~ when not prohibited by law.

(h) To develop a brief bank of pleadings and related materials on significant, recurring issues ~~which~~ that arise in postconviction proceedings in capital cases and to make those briefs available to appointed counsel.

1 (i) To evaluate cases and recommend assignment by the court
2 of appropriate attorneys.

3 (j) To provide assistance and case progress monitoring as
4 needed.

5 (k) To timely review case billings and recommend
6 compensation of members of the private bar to the court.

7 (l) The center shall ~~annually~~ report *annually* to the Legislature,
8 the Governor, and the Supreme Court on the status of the
9 appointment of counsel for indigent ~~prisoners~~ *persons* in
10 postconviction capital cases, and on the operations of the ~~office~~
11 *center*. On or before January 1, 2000, the office of the Legislative
12 Analyst shall evaluate the available reports.

13 *SEC. 16. Section 77202 of the Government Code is amended*
14 *to read:*

15 77202. (a) The Legislature shall make an annual
16 appropriation to the Judicial Council for the general operations of
17 the trial courts based on the request of the Judicial Council. The
18 Judicial Council's trial court budget request, which shall be
19 submitted to the Governor and the Legislature, shall meet the
20 needs of all trial courts in a manner that ensures a predictable
21 fiscal environment for labor negotiations in accordance with the
22 Trial Court Employment Protection and Governance Act, that
23 promotes equal access to the courts statewide, and that promotes
24 court financial accountability. The annual budget request shall
25 include the following components:

26 ~~(1) In order to ensure that trial court funding is not eroded and~~
27 ~~that sufficient funding is provided to trial courts to be able to~~
28 ~~accommodate increased costs without degrading the quantity or~~
29 ~~quality of court services, a base funding adjustment for operating~~
30 ~~costs shall be included that is computed based upon the~~
31 ~~year-to-year percentage change in the annual state appropriations~~
32 ~~limit. For purposes of this adjustment, operating costs include,~~
33 ~~but are not limited to, all expenses for court operations and court~~
34 ~~employee salaries and salary-driven benefits, but do not include~~
35 ~~the costs of compensation for judicial officers, subordinate~~
36 ~~judicial officers, or funding for the assigned judges program.~~

37 ~~(2) Nondiscretionary costs necessitated by law or county~~
38 ~~government that exceed the annual state appropriations limit and~~
39 ~~other adjustments required to accommodate other operational and~~

~~1 programmatic changes shall be separately identified and justified~~
~~2 through the annual budget process.~~

3 *(1) Commencing with the 2006–07 fiscal year, annual General*
4 *Fund appropriations to support the trial courts shall be*
5 *comprised of both of the following:*

6 *(A) The current fiscal year General Fund appropriations,*
7 *which include all of the following:*

8 *(i) General Fund moneys appropriated for transfer or direct*
9 *local assistance in support of the trial courts.*

10 *(ii) Transfers to the Judicial Administration Efficiency and*
11 *Modernization Fund.*

12 *(iii) Local assistance grants made by the Judicial Council,*
13 *including the Equal Access Fund.*

14 *(iv) The full year cost of budget change proposals approved*
15 *through the 2006–07 fiscal year or subsequently approved in*
16 *accordance with paragraph (2), but excluding lease revenue*
17 *payments and funding for costs specifically and expressly*
18 *reimbursed through other state or federal funding sources,*
19 *excluding the cost of one-time or expiring programs.*

20 *(B) A cost-of-living and growth adjustment computed by*
21 *multiplying the year-to-year percentage change in the state*
22 *appropriation limit as described in Section 3 of Article XIII B of*
23 *the California Constitution by the sum of all of the following:*

24 *(i) The current year General Fund appropriations for the trial*
25 *courts, as defined in subparagraph (A).*

26 *(ii) The amount of county obligations established pursuant to*
27 *subdivision (b) of Section 77201.1 in effect as of June 30, 2005,*
28 *six hundred ninety-eight million sixty-eight thousand dollars*
29 *(\$698,068,000).*

30 *(iii) The level of funding required to be transferred from the*
31 *Trial Court Improvement Fund to the Trial Court Trust Fund*
32 *pursuant to subdivision (k) of Section 77209, thirty-one million*
33 *five hundred sixty-three thousand dollars (\$31,563,000).*

34 *(iv) Funding deposited into the Court Facilities Trust Fund*
35 *associated with each facility that was transferred to the state not*
36 *less than two fiscal years earlier than the fiscal year for which*
37 *the cost of living and growth adjustment is being calculated.*

38 *(v) The court filing fees and surcharges projected to be*
39 *deposited into the Trial Court Trust Fund in the 2005–06 fiscal*
40 *year, adjusted to reflect the full-year implementation of the*

1 *uniform civil fee structure implemented on January 1, 2006,*
2 *three hundred sixty-nine million six hundred seventy-two*
3 *thousand dollars (\$369,672,000).*

4 *(2) In addition to the moneys to be applied pursuant to*
5 *subdivision (b), the Judicial Council may identify and request*
6 *additional funding for the trial courts for costs resulting from the*
7 *implementation of statutory changes that result in either an*
8 *increased level of service or a new activity that directly affects*
9 *the programmatic or operational needs of the courts.*

10 (b) The Judicial Council shall allocate the ~~appropriation~~
11 ~~funding from the Trial Court Trust Fund~~ to the trial courts in a
12 manner that best ensures the ability of the courts to carry out
13 their functions, promotes implementation of statewide policies,
14 and promotes the immediate implementation of efficiencies and
15 cost-saving measures in court operations, in order to guarantee
16 access to justice to citizens of the state.

17 The Judicial Council shall ensure that ~~its allocations to the trial~~
18 ~~court budget request and the allocations made by it reward courts~~
19 *recognize* each trial court's implementation of efficiencies and
20 cost-saving measures.

21 These efficiencies and cost-saving measures shall include, but
22 not be limited to, the following:

23 (1) The sharing or merger of court support staff among trial
24 courts across counties.

25 (2) The assignment of any type of case to a judge for all
26 purposes commencing with the filing of the case and regardless
27 of jurisdictional boundaries.

28 (3) The establishment of a separate calendar or division to hear
29 a particular type of case.

30 (4) In rural counties, the use of all court facilities for hearings
31 and trials of all types of cases and the acceptance of filing
32 documents in any case.

33 (5) The use of alternative dispute resolution programs, such as
34 arbitration.

35 (6) The development and use of automated accounting and
36 case-processing systems.

37 (c) (1) The Judicial Council shall adopt policies and
38 procedures governing practices and procedures for budgeting in
39 the trial courts in a manner that best ensures the ability of the
40 courts to carry out their functions and may delegate the adoption

1 to the Administrative Director of the Courts. The Administrative
2 Director of the Courts shall establish budget procedures and an
3 annual schedule of budget development and management
4 consistent with these rules.

5 (2) The Trial Court Policies and Procedures shall specify the
6 process for a court to transfer existing funds between or among
7 the budgeted program components to reflect changes in the
8 court's planned operation or to correct technical errors. If the
9 process requires a trial court to request approval of a specific
10 transfer of existing funds, the Administrative Office of the Courts
11 shall review the request to transfer funds and respond within 30
12 days of receipt of the request. The Administrative Office of the
13 Courts shall respond to the request for approval or denial to the
14 affected court, in writing, with copies provided to the Department
15 of Finance, the Legislative Analyst Office, the Legislature's
16 budget committees, and the court's affected labor organizations.

17 (3) The Judicial Council shall circulate for comment to all
18 affected entities any amendments proposed to the Trial Court
19 Policies and Procedures as they relate to budget monitoring and
20 reporting. Final changes shall be adopted at a meeting of the
21 Judicial Council.

22 *SEC. 17. Section 77209 of the Government Code is amended*
23 *to read:*

24 77209. (a) There is in the State Treasury the Trial Court
25 Improvement Fund.

26 (b) The Judicial Council shall reserve funds for projects by
27 transferring 1 percent of the amount appropriated for support for
28 operation of the trial courts to the Trial Court Improvement Fund.
29 At least one-half of this amount shall be set aside as a reserve
30 that shall not be allocated prior to March 15 of each year unless
31 allocated to a court or courts for urgent needs.

32 (c) Any funds in the Trial Court Improvement Fund that are
33 unencumbered at the end of the fiscal year shall be
34 reappropriated to the Trial Court Improvement Fund for the
35 following fiscal year.

36 (d) Moneys deposited in the Trial Court Improvement Fund
37 shall be placed in an interest bearing account. Any interest earned
38 shall accrue to the fund and shall be disbursed pursuant to
39 subdivision (e).

1 (e) Moneys deposited in the Trial Court Improvement Fund
2 may be disbursed for purposes of this section.

3 (f) Moneys deposited in the Trial Court Improvement Fund
4 pursuant to Section 68090.8 shall be allocated by the Judicial
5 Council for automated administrative system improvements
6 pursuant to that section and in furtherance of Rule 991 of the
7 California Rules of Court, as it read on July 1, 1996. As used in
8 this subdivision, “automated administrative system” does not
9 include electronic reporting systems for use in a courtroom.

10 (g) Moneys deposited in the Trial Court Improvement Fund
11 shall be administered by the Judicial Council. The Judicial
12 Council may, with appropriate guidelines, delegate to the
13 Administrative Director of the Courts the administration of the
14 fund. Moneys in the fund may be expended to implement trial
15 court projects approved by the Judicial Council. Expenditures
16 may be made to vendors or individual trial courts that have the
17 responsibility to implement approved projects.

18 (h) Notwithstanding other provisions of this section, the 2
19 percent automation fund moneys deposited in the Trial Court
20 Improvement Fund pursuant to Section 68090.8 shall be
21 allocated by the Judicial Council to statewide initiatives related
22 to trial court automation and their implementation. The Judicial
23 Council shall allocate the remainder of the moneys deposited in
24 the Trial Court Improvement Fund as specified in this section.

25 For the purposes of this subdivision, the term “2 percent
26 automation fund” means the fund established pursuant to Section
27 68090.8 as it read on June 30, 1996. As used in this subdivision,
28 “statewide initiatives related to trial court automation and their
29 implementation” does not include electronic reporting systems
30 for use in a courtroom.

31 (i) Royalties received from the publication of uniform jury
32 instructions shall be deposited in the Trial Court Improvement
33 Fund and used for the improvement of the jury system.

34 (j) The Judicial Council shall present an annual report to the
35 Legislature on the use of the Trial Court Improvement Fund. The
36 report shall include appropriate recommendations.

37 (k) *Each fiscal year, the Controller shall transfer thirty-one*
38 *million five hundred sixty-three thousand dollars (\$31,563,000)*
39 *from the Trial Court Improvement Fund to the Trial Court Trust*
40 *Fund for allocation to trial courts for court operations.*

1 *SEC. 18. Section 76104.7 is added to the Government Code,*
2 *to read:*

3 *76104.7. In addition to the penalty levied pursuant to Section*
4 *76104.6, there shall be levied an additional state-only penalty of*
5 *one dollar (\$1) for every ten dollars (\$10) or fraction thereof in*
6 *each county, which shall be collected together with and in the*
7 *same manner as the amounts established by Section 1464 of the*
8 *Penal Code, upon every fine, penalty, or forfeiture imposed and*
9 *collected by the courts for criminal offenses, including all*
10 *offenses involving a violation of the Vehicle Code or any local*
11 *ordinance adopted pursuant to the Vehicle Code, except parking*
12 *offenses subject to Article 3 (commencing with Section 40200) of*
13 *Chapter 1 of Division 17 of the Vehicle Code. These moneys*
14 *shall be taken from fines and forfeitures deposited with the*
15 *county treasurer prior to any division pursuant to Section 1463*
16 *of the Penal Code. These funds shall be deposited into the county*
17 *treasury DNA Identification Fund. One hundred percent of these*
18 *funds, including any interest earned thereon, shall be transferred*
19 *to the state Controller at the same time that moneys are*
20 *transferred pursuant to paragraph (2) of subdivision (b) of*
21 *Section 76104.6, for deposit into the state's DNA Identification*
22 *Fund. These funds may be used to fund the operation of the DNA*
23 *Fingerprint, Unsolved Crime and Innocence Protection Act, and*
24 *to facilitate compliance with the requirements of subdivision (e)*
25 *of Section 299.5 of the Penal Code.*

26 *SEC. 19. Section 84602.1 is added to the Government Code,*
27 *to read:*

28 *84602.1. (a) The Secretary of State shall, on or before June*
29 *30, 2007, fully implement this chapter as specified in Section*
30 *84602, including completing online lobbying registration forms*
31 *so that all forms can be filed online as specified in Section*
32 *84602.*

33 *(b) On or before February 1, 2007, the Secretary of State shall*
34 *report to the Legislature on all of the following:*

35 *(1) The implementation and development of the online and*
36 *electronic filing and disclosure requirements of this chapter, with*
37 *specific emphasis on the status of the development of a means or*
38 *method described in paragraph (1) of subdivision (a) of Section*
39 *84602.*

1 (2) *Whether and to what extent any means or method has been*
2 *deployed that allows filers to submit required filings free of*
3 *charge, with an emphasis on the types of filers who are not yet*
4 *able to complete all required online or electronic filings free of*
5 *charge, what aspects of the filings are missing that prevent those*
6 *filers from being able to complete all required online or*
7 *electronic filings free of charge, the costs to those filers, and, if*
8 *applicable, why a means or method has not yet been deployed*
9 *and when one is likely to be deployed.*

10 (3) *What resources are necessary to complete efforts to allow*
11 *filers to submit required filings free of charge, when completion*
12 *is expected, and an explanation of why the original full*
13 *allocation of requested funding did not provide the statutorily*
14 *required free filing system.*

15 (c) *Additional reports to the Legislature pursuant to*
16 *subdivision (b) shall be due on July 1, and December 1, of each*
17 *year, until a means or method has been deployed that allows all*
18 *filers who are required to file reports online or electronically to*
19 *file those reports free of charge.*

20 SEC. 20. *Section 1348.9 of the Health and Safety Code is*
21 *amended to read:*

22 1348.9. (a) On or before July 1, 2003, the director shall adopt
23 regulations to establish the Consumer Participation Program,
24 which shall allow for the director to award reasonable advocacy
25 and witness fees to any person or organization that demonstrates
26 that the person or organization represents the interests of
27 consumers and has made a substantial contribution on behalf of
28 consumers to the adoption of any regulation or to an order or
29 decision made by the director if the order or decision has the
30 potential to impact a significant number of enrollees.

31 (b) The regulations adopted by the director shall include
32 specifications for eligibility of participation, rates of
33 compensation, and procedures for seeking compensation. The
34 regulations shall require that the person or organization
35 demonstrate a record of advocacy on behalf of health care
36 consumers in administrative or legislative proceedings in order to
37 determine whether the person or organization represents the
38 interests of consumers.

1 (c) This section shall apply to all proceedings of the
2 department, but shall not apply to resolution of individual
3 grievances, complaints, or cases.

4 (d) Fees awarded pursuant to this section may not exceed three
5 hundred fifty thousand dollars (\$350,000) each fiscal year.

6 (e) The fees awarded pursuant to this section shall be
7 considered costs and expenses pursuant to Section 1356 and shall
8 be paid from the assessment made under that section.
9 Notwithstanding the provisions of this subdivision, the amount of
10 the assessment shall not be increased to pay the fees awarded
11 under this section.

12 (f) The department shall report to the appropriate policy and
13 fiscal committees of the Legislature before March 1, 2004, and
14 annually thereafter, the following information:

15 (1) The amount of reasonable advocacy and witness fees
16 awarded each fiscal year.

17 (2) The individuals or organization to whom advocacy and
18 witness fees were awarded pursuant to this section.

19 (3) The orders, decisions, and regulations pursuant to which
20 the advocacy and witness fees were awarded.

21 (g) This section shall remain in effect only until January 1,
22 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
23 statute, that is enacted before January 1, ~~2007~~ 2012, deletes or
24 extends that date.

25 *SEC. 21. Section 53533 of the Health and Safety Code is*
26 *amended to read:*

27 53533. (a) Money deposited in the fund from the sale of
28 bonds pursuant to this part shall be allocated for expenditure in
29 accordance with the following schedule:

30 (1) Nine hundred ten million dollars (\$910,000,000) shall be
31 transferred to the Housing Rehabilitation Loan Fund to be
32 expended for the Multifamily Housing Program authorized by
33 Chapter 6.7 (commencing with Section 50675) of Part 2, except
34 for the following:

35 (A) Fifty million dollars (\$50,000,000) shall be transferred to
36 the Preservation Opportunity Fund and, notwithstanding Section
37 13340 of the Government Code, is continuously appropriated
38 without regard to fiscal years for the preservation of at-risk
39 housing pursuant to Chapter 5 (commencing with Section 50600)
40 of Part 2.

1 (B) Twenty million dollars (\$20,000,000) shall be used for
2 nonresidential space for supportive services, including, but not
3 limited to, job training, health services, and child care within, or
4 immediately proximate to, projects to be funded under the
5 Multifamily Housing Program. This funding shall be in addition
6 to any applicable per-unit or project loan limits and may be in the
7 form of a grant. Service providers shall ensure that services are
8 available to project residents on a priority basis over the general
9 public.

10 (C) Twenty-five million dollars (\$25,000,000) shall be used
11 for matching grants to local housing trust funds pursuant to
12 Section 50843.

13 (D) Fifteen million dollars (\$15,000,000) shall be used for
14 student housing through the Multifamily Housing Program,
15 subject to the following provisions:

16 (i) The department shall give first priority for projects on land
17 owned by a University of California or California State
18 University campus. Second priority shall be given to projects
19 located within one mile of a University of California or
20 California State University campus that is suffering from a severe
21 shortage of housing and limited availability of developable land
22 as determined by the department. Those determinations shall be
23 set forth in the Notice of Funding Availability and shall not be
24 subject to the requirements of Chapter 3.5 (commencing with
25 Section 11340) of Part 1 of Title 2 of the Government Code.

26 (ii) All funds shall be matched on a one-to-one basis from
27 private sources or by the University of California or California
28 State University. For the purposes of this subparagraph,
29 “University of California” includes the Hastings College of the
30 Law.

31 (iii) Occupancy for the units shall be restricted to students
32 enrolled on a full-time basis in the University of California or
33 California State University.

34 (iv) Income eligibility pursuant to the Multifamily Housing
35 Program shall be established by verification of the combined
36 income of the student and his or her family.

37 (v) Any funds not used for this purpose within 24 months of
38 the date that the funds are made available shall be awarded
39 pursuant to subdivision (a) for the Downtown Rebound Program

as set forth in paragraph ~~(4)~~ (3) of subdivision ~~(e)~~ (a) of Section 50898.2 50898.1.

(E) Any funds not encumbered for the purposes set forth in this paragraph, except subparagraph (D), within 30 months of availability shall revert to the Housing Rehabilitation Loan Fund created by Section 50661 for general use in the Multifamily Housing Program.

(2) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800 of Part 2).

(3) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for supportive housing projects under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to serve individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness.

(4) Two hundred million dollars (\$200,000,000) shall be transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund to be expended for farmworker housing programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2, except for the following:

(A) Twenty-five million dollars (\$25,000,000) shall be used for projects that serve migratory agricultural workers as defined in subdivision (i) of Section 7602 of Title 25 of the California Code of Regulations. If, after July 1, 2003, funds remain after the approval of all feasible applications, the department shall be deemed an eligible recipient for the purposes of reconstructing migrant centers operated through the Office of Migrant Services pursuant to Chapter 8.5 (commencing with Section 50710) that would otherwise be scheduled for closure due to health or safety considerations or are in need of significant repairs to ensure the health and safety of the residents. Of the dollars allocated by this subparagraph, the department shall receive fifteen million dollars (\$15,000,000) for these purposes subject to the following conditions and requirements:

(i) The amount available to the department as a recipient shall be limited to ten million seven hundred thousand dollars

1 (\$10,700,000) prior to September 1, 2006. The department may
2 receive up to four million three hundred thousand dollars
3 (\$4,300,000) in additional funds after that date and prior to July
4 1, 2007, to the extent that unencumbered funds are available.

5 (ii) The department shall make at least eight million one
6 hundred fifty-nine thousand dollars (\$8,159,000) available for
7 flexible loans and grants for projects that serve migratory
8 agricultural workers pursuant to subdivision (a) of Section
9 50517.10. These funds shall be available for encumbrance until
10 September 1, 2006.

11 (iii) Any funds allocated by this subparagraph remaining
12 unencumbered on July 1, 2007, shall revert for general use in the
13 Joe Serna, Jr. Farmworker Housing Grant Program.

14 (B) Twenty million dollars (\$20,000,000) shall be used for
15 developments that also provide health services to the residents.
16 Recipients of these funds shall be required to provide ongoing
17 monitoring of funded developments to ensure compliance with
18 the requirements of the Joe Serna, Jr. Farmworker Housing Grant
19 Program. Projects receiving funds through this allocation shall be
20 ineligible for funding through the Joe Serna, Jr. Farmworker
21 Housing Grant Program.

22 (C) Except as provided in subparagraph (A) funds not
23 encumbered for the purposes set forth in this paragraph within 30
24 months of availability shall revert for general use in the Joe
25 Serna, Jr. Farmworker Housing Grant Program.

26 (5) Two hundred five million dollars (\$205,000,000) shall be
27 transferred to the Self-Help Housing Fund. Notwithstanding
28 Section 13340 of the Government Code and Section 50697.1,
29 these funds are hereby continuously appropriated without regard
30 to fiscal years to the department to be expended for the purposes
31 of the CalHome Program authorized by Chapter 6 (commencing
32 with Section 50650) of Part 2, except for the following:

33 (A) Seventy-five million dollars (\$75,000,000) shall be
34 transferred to the Building Equity and Growth in Neighborhoods
35 Fund to be used for the Building Equity and Growth in
36 Neighborhoods (BEGIN) Program pursuant to Chapter 4.5
37 (commencing with Section 50860) of Part 1.

38 (B) Five million dollars (\$5,000,000) shall be used to provide
39 grants to cities, counties, cities and counties, and nonprofit
40 organizations to provide grants for lower income tenants with

1 disabilities for the purpose of making exterior modifications to
2 rental housing in order to make that housing accessible to
3 persons with disabilities. For the purposes of this subparagraph,
4 “exterior modifications” includes modifications that are made to
5 entryways or to common areas of the structure or property. The
6 program provided for under this subparagraph shall not be
7 subject to the requirements of Chapter 3.5 (commencing with
8 Section 11340) of Part 1 of Title 2 of the Government Code.

9 (C) Ten million dollars (\$10,000,000) shall be expended for
10 construction management under the California Self-Help
11 Housing Program pursuant to subdivision (b) of Section 50696.

12 (D) Any funds not encumbered for the purposes set forth in
13 this paragraph within 30 months of availability shall revert for
14 general use in the CalHome Program.

15 (6) Five million dollars (\$5,000,000) shall be transferred to the
16 Housing Rehabilitation Loan Fund to be expended for capital
17 expenditures in support of local code enforcement and
18 compliance programs. This allocation shall not be subject to the
19 requirements of Chapter 3.5 (commencing with Section 11340)
20 of Part 1 of Title 2 of the Government Code. If the moneys
21 allocated pursuant to this paragraph are not expended within
22 three years after being transferred, the department may, in its
23 discretion, transfer the moneys to the Housing Rehabilitation
24 Loan Fund to be expended for the Multifamily Housing Program.

25 (7) Two hundred ninety million dollars (\$290,000,000) shall
26 be transferred to the Self-Help Housing Fund. Notwithstanding
27 Section 50697.1, these funds are hereby continuously
28 appropriated to the agency to be expended for the purposes of the
29 California Homebuyer’s Downpayment Assistance Program
30 authorized by Chapter 11 (commencing with Section 51500) of
31 Part 3, except for the following:

32 (A) Fifty million dollars (\$50,000,000) shall be transferred to
33 the School Facilities Fee Assistance Fund as provided by
34 subdivision (a) of Section 51453 to be used for the Homebuyer
35 Down Payment Assistance Program of 2002 established by
36 Section 51451.5.

37 (B) Eighty-five million dollars (\$85,000,000) shall be
38 transferred to the California Housing Loan Insurance Fund to be
39 used for purposes of Part 4 (commencing with Section 51600).
40 The agency may transfer these moneys as often as quarterly in

1 amounts that shall not exceed the dollar amount of new insurance
2 written by the agency during the preceding quarter for loans for
3 the purchase of homes made to owner-occupant borrowers with
4 incomes not exceeding 120 percent of the area median income,
5 divided by the risk-to-capital ratio required for the maintenance
6 of satisfactory credit ratings from nationally recognized credit
7 rating services.

8 (C) (i) Twelve million five hundred thousand dollars
9 (\$12,500,000) shall be reserved for downpayment assistance to
10 low-income first-time home buyers who, as documented to the
11 agency by a nonprofit organization certified and funded to
12 provide home ownership counseling by a federally funded
13 national nonprofit corporation, are purchasing a residence in a
14 community revitalization area targeted by the nonprofit
15 organization and who has received home ownership counseling
16 from the nonprofit organization. Community revitalization areas
17 shall be limited to targeted neighborhoods identified by qualified
18 nonprofit organizations as those neighborhoods in need of
19 economic stimulation, renovation, and rehabilitation through
20 efforts that include increased home ownership opportunities for
21 low-income families.

22 (ii) Effective January 1, 2004, 50 percent of the funds
23 available pursuant to clause (i) shall be available for
24 downpayment assistance in an amount not to exceed 6 percent of
25 the home sales price.

26 (iii) After 12 months of availability, if more than 50 percent of
27 the funds set aside pursuant to clause (ii) have been encumbered,
28 the agency shall discontinue that program and make all
29 remaining funds available for downpayment assistance pursuant
30 to clause (i). If, however, less than 50 percent of the funds
31 allocated pursuant to clause (ii) are encumbered after that
32 12-month period, the agency may, at its sole discretion, either
33 make all remaining funds provided pursuant to clause (i)
34 available for the purpose of clause (ii), or may continue to
35 implement clause (ii) until all of the funds allocated for that
36 purpose as of January 1, 2004, have been encumbered.

37 (D) Twenty-five million dollars (\$25,000,000) shall be used
38 for downpayment assistance pursuant to Section 51505. After 18
39 months of availability, if the agency determines that the funds set
40 aside pursuant to this section will not be utilized for purposes of

1 Section 51505, these funds shall be available for the general use
2 of the agency for the purposes of the California Homebuyer's
3 Downpayment Assistance Program, but may also continue to be
4 available for the purposes of Section 51505.

5 (E) Funds not utilized for the purposes set forth in
6 subparagraphs (B) and (C) within 30 months shall revert for
7 general use in the California Homebuyer's Downpayment
8 Assistance Program.

9 (8) One hundred million dollars (\$100,000,000) shall be
10 transferred to the Jobs Housing Improvement Account to be
11 expended as capital grants to local governments for increasing
12 housing pursuant to enabling legislation. If the enabling
13 legislation fails to become law in the 2001–02 Regular Session of
14 the Legislature, the specified allocation for this program shall be
15 void and the funds shall revert for general use in the Multifamily
16 Housing Program as specified in paragraph (1) of subdivision (a).

17 (b) No portion of the money allocated pursuant to this section
18 may be expended for project operating costs, except that this
19 section does not preclude expenditures for operating costs from
20 reserves required to be maintained by or on behalf of the project
21 sponsor.

22 (c) The Legislature may, from time to time, amend the
23 provisions of law related to programs to which funds are, or have
24 been, allocated pursuant to this section for the purpose of
25 improving the efficiency and effectiveness of the program, or for
26 the purpose of furthering the goals of the program.

27 (d) The Bureau of State Audits shall conduct periodic audits to
28 ensure that bond proceeds are awarded in a timely fashion and in
29 a manner consistent with the requirements of this part, and that
30 awardees of bond proceeds are using funds in compliance with
31 applicable provisions of this part.

32 *SEC. 22. Section 1684 of the Labor Code is amended to read:*

33 1684. (a) The Labor Commissioner shall not issue to any
34 person a license to act as a farm labor contractor, nor shall the
35 Labor Commissioner renew that license, until all of the following
36 conditions are satisfied:

37 (1) The person has executed a written application in a form
38 prescribed by the Labor Commissioner, subscribed and sworn to
39 by the person, and containing all of the following:

1 (A) A statement by the person of all facts required by the
2 Labor Commissioner concerning the applicant's character,
3 competency, responsibility, and the manner and method by
4 which the person proposes to conduct operations as a farm labor
5 contractor if the license is issued.

6 (B) The names and addresses of all persons, except bona fide
7 employees on stated salaries, financially interested, either as
8 partners, associates, or profit sharers, in the proposed operation
9 as a farm labor contractor, together with the amount of their
10 respective interests.

11 (C) A declaration consenting to the designation by a court of
12 the Labor Commissioner as an agent available to accept service
13 of summons in any action against the licensee if the licensee has
14 left the jurisdiction in which the action is commenced or
15 otherwise has become unavailable to accept service.

16 (2) The Labor Commissioner, after investigation, is satisfied
17 as to the character, competency, and responsibility of the person.

18 (3) The person has deposited with the Labor Commissioner a
19 surety bond in an amount based on the size of the person's
20 annual payroll for all employees, as follows:

21 (A) For payrolls up to five hundred thousand dollars
22 (\$500,000), a twenty-five thousand dollar (\$25,000) bond.

23 (B) For payrolls of five hundred thousand dollars (\$500,000)
24 to two million dollars (\$2,000,000), a fifty thousand dollar
25 (\$50,000) bond.

26 (C) For payrolls greater than two million dollars (\$2,000,000),
27 a seventy-five thousand dollar (\$75,000) bond.

28 Where the contractor has been the subject of a final judgment
29 in a year in an amount equal to that of the bond required, he or
30 she shall be required to deposit an additional bond within 60
31 days. The bond shall be payable to the people of the State of
32 California and shall be conditioned that the farm labor contractor
33 will comply with all the terms and provisions of this chapter and
34 will pay all damages occasioned to any person by failure to do
35 so, or by any violation of this chapter, or false statements or
36 misrepresentations made in the procurement of the license. The
37 bond shall also be payable for interest on wages and for any
38 damages arising from violation of orders of the Industrial
39 Welfare Commission, and for any other monetary relief awarded
40 to an agricultural worker as a result of a violation of this code.

(4) The person has paid to the Labor Commissioner a license fee of five hundred dollars (\$500) plus a filing fee of ten dollars (\$10). However, where a timely application for renewal is filed, the ten dollar (\$10) filing fee is not required. The Labor Commissioner shall deposit *one hundred fifty dollars*—~~(\$50)~~ ~~(\$150)~~ of each licensee's annual license fee into the Farmworker Remedial Account. Funds from this account shall be disbursed by the Labor Commissioner only to persons determined by the Labor Commissioner to have been damaged by any licensee when the damage exceeds the limits of the licensee's bond, or to persons determined by the Labor Commissioner to have been damaged by an unlicensed farm labor contractor. In making these determinations, the Labor Commissioner shall disburse funds from the Farmworker Remedial Account to satisfy claims against farm labor contractors or unlicensed farm labor contractors, which shall also include interest on wages and any damages arising from the violation of orders of the Industrial Welfare Commission, and for any other monetary relief awarded to an agricultural worker as a result of a violation of this code. The Labor Commissioner may disburse funds from the Farmworker Remedial Account to farm labor contractors, for payment of farmworkers, where a contractor is unable to pay farmworkers due to the failure of a grower or packer to pay the contractor. Any disbursed funds subsequently recovered by the Labor Commissioner pursuant to Section 1693, or otherwise, shall be returned to the Farmworker Remedial Account.

(5) The person has taken a written examination that demonstrates an essential degree of knowledge of the current laws and administrative regulations concerning farm labor contractors as the Labor Commissioner deems necessary for the safety and protection of farmers, farmworkers, and the public. To successfully complete the examinations, the person must correctly answer at least 85 percent of the questions posed. The examination period shall not exceed four hours. The examination may only be taken a maximum of three times in a calendar year. The examinations shall include a demonstration of knowledge of the current laws and regulations regarding wages, hours, and working conditions, penalties, employee housing and transportation, collective bargaining, field sanitation, and safe

1 work practices related to pesticide use, including all of the
2 following subjects:

3 (A) Field reentry regulations.

4 (B) Worker pesticide safety training.

5 (C) Employer responsibility for safe working conditions.

6 (D) Symptoms and appropriate treatment of pesticide
7 poisoning.

8 (6) The person has registered as a farm labor contractor
9 pursuant to the federal Migrant and Seasonal Agricultural
10 Worker Protection Act (29 U.S.C. 1801 et seq.), when
11 registration is required pursuant to federal law.

12 (b) (1) The Labor Commissioner shall consult with the
13 Director of Pesticide Regulation, the Department of the
14 California Highway Patrol, the Department of Housing and
15 Community Development, the Employment Development
16 Department, the Department of Food and Agriculture, the
17 Department of Motor Vehicles, and the Division of Occupational
18 Safety and Health in preparing the examination required by
19 paragraph (5) of subdivision (a) and the appropriate educational
20 materials pertaining to the matters included in the examination,
21 and may charge a fee of not more than one hundred dollars
22 (\$100) to cover the cost of administration of the examination.

23 (2) In addition, the person must enroll and participate in at
24 least eight hours of relevant, educational classes each year. The
25 classes shall be chosen from a list of approved classes prepared
26 by the Labor Commissioner, in consultation with the persons and
27 entities listed in paragraph (1) and county agricultural
28 commissioners.

29 (c) The Labor Commissioner may renew a license without
30 requiring the applicant for renewal to take the examination
31 specified in paragraph (5) of subdivision (a) if the Labor
32 Commissioner finds that the applicant meets all of the following
33 criteria:

34 (1) Has satisfactorily completed the examination during the
35 immediately preceding two years.

36 (2) Has not during the preceding year been found to be in
37 violation of any applicable laws or regulations including, but not
38 limited to, Division 7 (commencing with Section 12501) of the
39 Food and Agricultural Code, Part 1 (commencing with Section
40 17000) of Division 13 of the Health and Safety Code, Division 2

1 (commencing with Section 200), Division 4 (commencing with
2 Section 3200), and Division 5 (commencing with Section 6300)
3 of this code, and Chapter 1 (commencing with Section 12500) of
4 Division 6 of the Vehicle Code.

5 (3) Has, for each year since the license was obtained, enrolled
6 and participated in at least eight hours of relevant, educational
7 classes, chosen from a list of approved classes prepared by the
8 Labor Commissioner.

9 (4) Has complied with all other requirements of this section.

10 *SEC. 23. Section 1698 of the Labor Code is amended to read:*

11 1698. All fines collected for violations of this chapter shall be
12 paid into the Farmworker Remedial Account and shall be
13 available, upon appropriation, for purposes of this chapter. Of the
14 moneys collected for licenses issued pursuant to this chapter, *one*
15 *hundred* fifty dollars—~~(\$50)~~ (\$150) of each annual license fee
16 shall be deposited in the Farmworker Remedial Account pursuant
17 to paragraph (4) of subdivision (a) of Section 1684, three
18 hundred fifty dollars (\$350) of each annual license fee shall be
19 expended by the Labor Commissioner to fund the Farm Labor
20 Contractor Enforcement Unit and the Farm Labor Contractor
21 License Verification Unit, both within the department, and the
22 remaining money shall be paid into the State Treasury and
23 credited to the General Fund.

24 *SEC. 24. Section 4603.2 of the Labor Code is amended to*
25 *read:*

26 4603.2. (a) Upon selecting a physician pursuant to Section
27 4600, the employee or physician shall forthwith notify the
28 employer of the name and address of the physician. The
29 physician shall submit a report to the employer within five
30 working days from the date of the initial examination and shall
31 submit periodic reports at intervals that may be prescribed by
32 rules and regulations adopted by the administrative director.

33 (b) (1) Except as provided in subdivision (d) of Section
34 4603.4, or under contracts authorized under Section 5307.11,
35 payment for medical treatment provided or authorized by the
36 treating physician selected by the employee or designated by the
37 employer shall be made at reasonable maximum amounts in the
38 official medical fee schedule, pursuant to Section 5307.1, in
39 effect on the date of service. Payments shall be made by the
40 employer within 45 working days after receipt of each separate,

1 itemization of medical services provided, together with any
2 required reports and any written authorization for services that
3 may have been received by the physician. If the itemization or a
4 portion thereof is contested, denied, or considered incomplete,
5 the physician shall be notified, in writing, that the itemization is
6 contested, denied, or considered incomplete, within 30 working
7 days after receipt of the itemization by the employer. A notice
8 that an itemization is incomplete shall state all additional
9 information required to make a decision. Any properly
10 documented list of services provided not paid at the rates then in
11 effect under Section 5307.1 within the 45-working-day period
12 shall be increased by 15 percent, together with interest at the
13 same rate as judgments in civil actions retroactive to the date of
14 receipt of the itemization, unless the employer does both of the
15 following:

16 (A) Pays the provider at the rates in effect within the
17 45-working-day period.

18 (B) Advises, in the manner prescribed by the administrative
19 director, the physician, or another provider of the items being
20 contested, the reasons for contesting these items, and the
21 remedies available to the physician or the other provider if he or
22 she disagrees. In the case of an itemization that includes services
23 provided by a hospital, outpatient surgery center, or independent
24 diagnostic facility, advice that a request has been made for an
25 audit of the itemization shall satisfy the requirements of this
26 paragraph.

27 ~~If an employer contests all or part of an itemization, any~~
28 ~~amount determined payable by the appeals board shall carry~~
29 ~~interest from the date the amount was due until it is paid. If any~~
30 ~~contested itemization is determined payable by the appeals board,~~
31 ~~the defendant shall be ordered to reimburse the provider for any~~
32 ~~filing fees paid pursuant to Section 4903.05.~~

33 An employer's liability to a physician or another provider
34 under this section for delayed payments shall not affect its
35 liability to an employee under Section 5814 or any other
36 provision of this division.

37 (2) Notwithstanding paragraph (1), if the employer is a
38 governmental entity, payment for medical treatment provided or
39 authorized by the treating physician selected by the employee or
40 designated by the employer shall be made within 60 working

1 days after receipt of each separate itemization, together with any
2 required reports and any written authorization for services that
3 may have been received by the physician.

4 (c) Any interest or increase in compensation paid by an insurer
5 pursuant to this section shall be treated in the same manner as an
6 increase in compensation under subdivision (d) of Section 4650
7 for the purposes of any classification of risks and premium rates,
8 and any system of merit rating approved or issued pursuant to
9 Article 2 (commencing with Section 11730) of Chapter 3 of Part
10 3 of Division 2 of the Insurance Code.

11 (d) (1) Whenever an employer or insurer employs an
12 individual or contracts with an entity to conduct a review of an
13 itemization submitted by a physician or medical provider, the
14 employer or insurer shall make available to that individual or
15 entity all documentation submitted together with that itemization
16 by the physician or medical provider. When an individual or
17 entity conducting a itemization review determines that additional
18 information or documentation is necessary to review the
19 itemization, the individual or entity shall contact the claims
20 administrator or insurer to obtain the necessary information or
21 documentation that was submitted by the physician or medical
22 provider pursuant to subdivision (b).

23 (2) An individual or entity reviewing an itemization of service
24 submitted by a physician or medical provider shall not alter the
25 procedure codes listed or recommend reduction of the amount of
26 the payment unless the documentation submitted by the
27 physician or medical provider with the itemization of service has
28 been reviewed by that individual or entity. If the reviewer does
29 not recommend payment for services as itemized by the
30 physician or medical provider, the explanation of review shall
31 provide the physician or medical provider with a specific
32 explanation as to why the reviewer altered the procedure code or
33 changed other parts of the itemization and the specific deficiency
34 in the itemization or documentation that caused the reviewer to
35 conclude that the altered procedure code or amount
36 recommended for payment more accurately represents the service
37 performed.

38 (3) The appeals board shall have jurisdiction over disputes
39 arising out of this subdivision pursuant to Section 5304.

40 *SEC. 25. Section 4903.05 of the Labor Code is repealed.*

1 ~~4903.05. (a) A filing fee of one hundred dollars (\$100) shall~~
2 ~~be charged for each initial lien filed by providers, or on behalf of~~
3 ~~providers, pursuant to subdivision (b) of Section 4903.~~

4 ~~(b) No filing fee shall be required for liens filed by the~~
5 ~~Veterans Administration, the Medi-Cal program, or public~~
6 ~~hospitals.~~

7 ~~(c) The filing fee shall be collected by the court administrator.~~
8 ~~All fees shall be deposited in the Workers' Compensation~~
9 ~~Administration Revolving Fund. Any fees collected from~~
10 ~~providers that have not been redistributed to providers pursuant~~
11 ~~to paragraph (2) of subdivision (b) of Section 4603.2, shall be~~
12 ~~used to offset the amount of fees assessed on employers under~~
13 ~~Section 62.5.~~

14 ~~(d) The court administrator shall adopt reasonable rules and~~
15 ~~regulations governing the procedures for the collection of the~~
16 ~~filing fee.~~

17 *SEC. 26. Section 4903.6 is added to the Labor Code, to read:*

18 *4903.6. (a) Except as necessary to meet the requirements of*
19 *Section 4903.5, no lien claim or application for adjudication*
20 *shall be filed under subdivision (b) of Section 4903 until the*
21 *expiration of one of the following:*

22 *(1) Sixty days after the date of acceptance or rejection of*
23 *liability for the claim, or expiration of the time provided for*
24 *investigation of liability pursuant to subdivision (b) of Section*
25 *5402, whichever date is earlier.*

26 *(2) The time provided for payment of medical treatment bills*
27 *pursuant to Section 4603.2.*

28 *(3) The time provided for payment of medical-legal expenses*
29 *pursuant to Section 4622.*

30 *(b) No declaration of readiness to proceed shall be filed for a*
31 *lien under subdivision (b) of Section 4903 until the underlying*
32 *case has been resolved or where the applicant chooses not to*
33 *proceed with his or her case.*

34 *(c) The appeals board shall adopt reasonable regulations to*
35 *ensure compliance with this section, and shall take any further*
36 *steps as may be necessary to enforce the regulations, including,*
37 *but not limited to, impositions of sanctions pursuant to Section*
38 *5813.*

39 *(d) The prohibitions of this section shall not apply to lien*
40 *claims, applications for adjudication, or declarations of*

1 *readiness to proceed filed by or on behalf of the employee, or to*
2 *the filings by or on behalf of the employer.*

3 *SEC. 27. Section 290.3 of the Penal Code is amended to*
4 *read:*

5 290.3. (a) Every person who is convicted of any offense
6 specified in subdivision (a) of Section 290 shall, in addition to
7 any imprisonment or fine, or both, imposed for violation of the
8 underlying offense, be punished by a fine of two hundred dollars
9 (\$200) upon the first conviction or a fine of three hundred dollars
10 (\$300) upon the second and each subsequent conviction, unless
11 the court determines that the defendant does not have the ability
12 to pay the fine.

13 An amount equal to all fines collected pursuant to this
14 subdivision during the preceding month upon conviction of, or
15 upon the forfeiture of bail by, any person arrested for, or
16 convicted of, committing an offense specified in subdivision (a)
17 of Section 290, shall be transferred once a month by the county
18 treasurer to the Controller for deposit in the General Fund.
19 Moneys deposited in the General Fund pursuant to this
20 subdivision shall be transferred by the Controller as provided in
21 subdivision (b).

22 (b) (1) Out of the moneys deposited pursuant to subdivision
23 (a) as a result of second and subsequent convictions of Section
24 290, one-third shall first be transferred to the Department of
25 Justice Sexual Habitual Offender Fund, as provided in paragraph
26 ~~(1)~~ (2) of this subdivision. Out of the remainder of all moneys
27 deposited pursuant to subdivision (a), 50 percent shall be
28 transferred to the Department of Justice Sexual Habitual
29 Offender Fund, as provided in paragraph ~~(1)~~, 25 percent shall be
30 ~~transferred to the Department of Justice DNA Testing Fund, as~~
31 ~~provided in paragraph (2), and 25 percent shall be allocated~~
32 ~~equally to counties that maintain a local DNA testing laboratory,~~
33 ~~as provided in paragraph (3) (2), and 50 percent shall be~~
34 *transferred to the DNA Identification Fund, as established by*
35 *Section 76104.6 of the Government Code.*

36 ~~(1)~~

37 (2) Those moneys so designated shall be transferred to the
38 Department of Justice Sexual Habitual Offender Fund created
39 pursuant to paragraph (5) of subdivision (b) of Section 11170
40 and, when appropriated by the Legislature, shall be used for the

1 purposes of Chapter 9.5 (commencing with Section 13885) and
2 Chapter 10 (commencing with Section 13890) of Title 6 of Part 4
3 for the purpose of monitoring, apprehending, and prosecuting
4 sexual habitual offenders.

5 ~~(2) Those moneys so designated shall be directed to the~~
6 ~~Department of Justice and transferred to the Department of~~
7 ~~Justice DNA Testing Fund, which is hereby created, for the~~
8 ~~exclusive purpose of testing deoxyribonucleic acid (DNA)~~
9 ~~samples for law enforcement purposes. The moneys in that fund~~
10 ~~shall be available for expenditure upon appropriation by the~~
11 ~~Legislature.~~

12 ~~(3) Those moneys so designated shall be allocated equally and~~
13 ~~distributed quarterly to counties that maintain a local DNA~~
14 ~~testing laboratory. Before making any allocations under this~~
15 ~~paragraph, the Controller shall deduct the estimated costs that~~
16 ~~will be incurred to set up and administer the payment of these~~
17 ~~funds to the counties. Any funds allocated to a county pursuant to~~
18 ~~this paragraph shall be used by that county for the exclusive~~
19 ~~purpose of testing DNA samples for law enforcement purposes.~~

20 (c) Notwithstanding any other provision of this section, the
21 Department of Corrections ~~or the Department of the Youth~~
22 ~~Authority and Rehabilitation~~ may collect a fine imposed
23 pursuant to this section from a person convicted of a violation of
24 any offense listed in subdivision (a) of Section 290, that results in
25 incarceration in a facility under the jurisdiction of the
26 Department of Corrections ~~or the Department of the Youth~~
27 ~~Authority and Rehabilitation~~. All moneys collected by the
28 Department of Corrections ~~or the Department of the Youth~~
29 ~~Authority and Rehabilitation~~ under this subdivision shall be
30 transferred, once a month, to the Controller for deposit in the
31 General Fund, as provided in subdivision (a), for transfer by the
32 Controller, as provided in subdivision (b).

33 *SEC. 28. Section 295 of the Penal Code is amended to read:*

34 295. (a) This chapter shall be known and may be cited as the
35 DNA and Forensic Identification Database and Data Bank Act of
36 1998, as amended.

37 (b) The people of the State of California set forth all of the
38 following:

1 (1) Deoxyribonucleic acid (DNA) and forensic identification
2 analysis is a useful law enforcement tool for identifying and
3 prosecuting criminal offenders and exonerating the innocent.

4 (2) It is the intent of the people of the State of California, in
5 order to further the purposes of this chapter, to require DNA and
6 forensic identification data bank samples from all persons,
7 including juveniles, for the felony and misdemeanor offenses
8 described in subdivision (a) of Section 296.

9 (3) It is necessary to enact this act defining and governing the
10 state's DNA and forensic identification database and data bank in
11 order to clarify existing law and to enable the state's DNA and
12 Forensic Identification Database and Data Bank Program to
13 become a more effective law enforcement tool.

14 (c) The purpose of the DNA and Forensic Identification
15 Database and Data Bank Program is to assist federal, state, and
16 local criminal justice and law enforcement agencies within and
17 outside California in the expeditious and accurate detection and
18 prosecution of individuals responsible for sex offenses and other
19 crimes, the exclusion of suspects who are being investigated for
20 these crimes, and the identification of missing and unidentified
21 persons, particularly abducted children.

22 (d) Like the collection of fingerprints, the collection of DNA
23 samples pursuant to this chapter is an administrative requirement
24 to assist in the accurate identification of criminal offenders.

25 (e) Unless otherwise requested by the Department of Justice,
26 collection of biological samples for DNA analysis from
27 qualifying persons under this chapter is limited to collection of
28 inner cheek cells of the mouth (buccal swab samples).

29 (f) The Department of Justice DNA Laboratory may obtain
30 through federal, state, or local law enforcement agencies blood
31 specimens from qualifying persons as defined in subdivision (a)
32 of Section 296, and according to procedures set forth in Section
33 298, when it is determined in the discretion of the Department of
34 Justice that such specimens are necessary in a particular case or
35 would aid the department in obtaining an accurate forensic DNA
36 profile for identification purposes.

37 (g) The Department of Justice, through its DNA Laboratory,
38 shall be responsible for the management and administration of
39 the state's DNA and Forensic Identification Database and Data
40 Bank Program and for liaison with the Federal Bureau of

1 Investigation (FBI) regarding the state's participation in a
2 national or international DNA database and data bank program
3 such as the FBI's Combined DNA Index System (CODIS) that
4 allows the storage and exchange of DNA records submitted by
5 state and local forensic DNA laboratories nationwide.

6 (h) The Department of Justice shall be responsible for
7 implementing this chapter.

8 (1) The Department of Justice DNA Laboratory, *and* the
9 Department of Corrections, ~~the Board of Corrections, and the~~
10 ~~Department of the Youth Authority and Rehabilitation~~ may
11 adopt policies and enact regulations for the implementation of
12 this chapter, as necessary, to give effect to the intent and purpose
13 of this chapter, and to ensure that data bank blood specimens,
14 buccal swab samples, and thumb and palm print impressions as
15 required by this chapter are collected from qualifying persons in
16 a timely manner, as soon as possible after arrest, conviction, or a
17 plea or finding of guilty, no contest, or not guilty by reason of
18 insanity, or upon any disposition rendered in the case of a
19 juvenile who is adjudicated under Section 602 of the Welfare and
20 Institutions Code for commission of any of this chapter's
21 enumerated qualifying offenses, including attempts, or when it is
22 determined that a qualifying person has not given the required
23 specimens, samples or print impressions. Before adopting any
24 policy or regulation implementing this chapter, the Department
25 of Corrections, ~~the Board of Corrections, and the Department of~~
26 ~~the Youth Authority and Rehabilitation~~ shall seek advice from
27 and consult with the Department of Justice DNA Laboratory
28 Director.

29 (2) Given the specificity of this chapter, and except as
30 provided in subdivision (c) of Section 298.1, any administrative
31 bulletins, notices, regulations, policies, procedures, or guidelines
32 adopted by the Department of Justice and its DNA Laboratory,
33 the Department of Corrections, ~~the Department of the Youth~~
34 ~~Authority, or the Board of Corrections and Rehabilitation~~ for the
35 purpose of the implementing this chapter are exempt from the
36 provisions of the Administrative Procedure Act, Chapter 3.5
37 (commencing with Section 11340), Chapter 4 (commencing with
38 Section 11370), Chapter 4.5 (commencing with Section 11400),
39 and Chapter 5 (commencing with Section 11500) of Part 1 of
40 Division 3 of Title 2 of the Government Code.

1 (3) The Department of Corrections, ~~the Board of Corrections,~~
2 ~~and the Department of the Youth Authority~~ *and Rehabilitation*
3 shall submit copies of any of their policies and regulations with
4 respect to this chapter to the Department of Justice DNA
5 Laboratory Director, and quarterly shall submit to the director
6 written reports updating the director as to the status of their
7 compliance with this chapter.

8 (4) On or before April 1 in the year following adoption of the
9 act that added this paragraph, and quarterly thereafter, the
10 Department of Justice DNA Laboratory shall submit a quarterly
11 report to be published electronically on a Department of Justice
12 ~~website~~ *Web site* and made available for public review. The
13 quarterly report shall state the total number of samples received,
14 the number of samples received from the Department of
15 Corrections *and Rehabilitation*, the number of samples fully
16 analyzed for inclusion in the CODIS database, and the number of
17 profiles uploaded into the CODIS database for the reporting
18 period. Each quarterly report shall state the total, annual, and
19 quarterly number of qualifying profiles in the Department of
20 Justice DNA Laboratory data bank both from persons and case
21 evidence, and the number of hits and investigations aided, as
22 reported to the National DNA Index System. The quarterly report
23 shall also confirm the laboratory's accreditation status and
24 participation in CODIS and shall include an accounting of the
25 funds collected, expended, and disbursed pursuant to subdivision
26 (k).

27 (5) On or before April 1 in the year following adoption of the
28 act that added this paragraph, and quarterly thereafter, the
29 Department of Corrections *and Rehabilitation* shall submit a
30 quarterly report to be published electronically on a Department of
31 Corrections ~~website~~ *and Rehabilitation Web site* and made
32 available for public review. The quarterly report shall state the
33 total number of inmates housed in state correctional facilities,
34 including a breakdown of those housed in state prisons, camps,
35 community correctional facilities, and other facilities such as
36 prisoner mother facilities. Each quarterly report shall also state
37 the total, annual, and quarterly number of inmates who have yet
38 to provide specimens, samples and print impressions pursuant to
39 this chapter and the number of specimens, samples and print

1 impressions that have yet to be forwarded to the Department of
2 Justice DNA Laboratory within 30 days of collection.

3 (i) (1) When the specimens, samples, and print impressions
4 required by this chapter are collected at a county jail or other
5 county facility, including a private community correctional
6 facility, the county sheriff or chief administrative officer of the
7 county jail or other facility shall be responsible for ensuring all of
8 the following:

9 (A) The requisite specimens, samples, and print impressions
10 are collected from qualifying persons immediately following
11 arrest, conviction, or adjudication, or during the booking or
12 intake or reception center process at that facility, or reasonably
13 promptly thereafter.

14 (B) The requisite specimens, samples, and print impressions
15 are collected as soon as administratively practicable after a
16 qualifying person reports to the facility for the purpose of
17 providing specimens, samples, and print impressions.

18 (C) The specimens, samples, and print impressions collected
19 pursuant to this chapter are forwarded immediately to the
20 Department of Justice, and in compliance with department
21 policies.

22 (2) The specimens, samples, and print impressions required by
23 this chapter shall be collected by a person using a collection kit
24 approved by the Department of Justice and in accordance with
25 the requirements and procedures set forth in subdivision (b) of
26 Section 298.

27 (3) The counties shall be reimbursed for the costs of obtaining
28 specimens, samples, and print impressions subject to the
29 conditions and limitations set forth by the Department of Justice
30 policies governing reimbursement for collecting specimens,
31 samples, and print impressions pursuant to ~~this chapter~~ *Section*
32 *76104.6 of the Government Code*.

33 (j) The trial court may order that a portion of the costs
34 assessed pursuant to Section 1203.1c, 1203.1e, or 1203.1m
35 include a reasonable portion of the cost of obtaining specimens,
36 samples, and print impressions in furtherance of this chapter and
37 the funds collected pursuant to this subdivision shall be deposited
38 in the ~~Department of Justice DNA Testing Fund as created by~~
39 ~~paragraph (2) of subdivision (b) of Section 290.3 DNA~~

1 *Identification Fund as created by Section 76104.6 of the*
2 *Government Code.*

3 ~~(k) Any funds appropriated by the Legislature to implement~~
4 ~~this chapter, including funds or costs ordered pursuant to~~
5 ~~subdivision (j) to reimburse counties, shall be deposited into the~~
6 ~~Department of Justice DNA Testing Fund as created by~~
7 ~~paragraph (2) of subdivision (b) of Section 290.3.~~

8 ~~(h)~~

9 (k) The Department of Justice DNA Laboratory shall be
10 known as the Jan Bashinski DNA Laboratory.

11 *SEC. 29. Section 42100 of the Public Resources Code is*
12 *amended to read:*

13 42100. For purposes of this chapter, the following definitions
14 apply:

15 (a) “Agency” means the Business, Transportation and Housing
16 Agency.

17 (b) “Air board” means the State Air Resources Board.

18 (c) “Applicant” means a small business that is a ~~chrome~~
19 ~~plating business~~ *metal plating facility* that produces hazardous
20 waste and applies for financial assistance pursuant to this chapter
21 to reduce the generation of hazardous waste.

22 (d) “Chrome plating” has the same meaning as “decorative
23 chromium electroplating” and “chromic acid anodizing” as
24 defined in the regulations specifying a hexavalent chromium
25 toxic control measure for chrome plating adopted by the air
26 board and contained in Section 93102 of Title 17 of the
27 California Code of Regulations.

28 (e) “Department” means the Department of Toxic Substances
29 Control.

30 (f) “Emission reduction” has the same meaning as “airborne
31 toxic risk reduction measure,” as defined in subdivisions (a) and
32 (b) of Section 44390 of the Health and Safety Code.

33 (g) “Financial company” is defined pursuant to Section 14010
34 of the Corporations Code.

35 (h) “Financial Development Corporation (FDC)” means a
36 corporation formed under the California Small Business
37 Financial Development Corporations Law (Ch. 1 (commencing
38 with Sec. 14000) Pt. 5, Div. 3, Corp. C.).

39 (i) “Green business program” means a program coordinated by
40 a local, state, or federal agency for the purposes of assisting and

1 recognizing businesses that are in compliance with all
2 environmental laws and regulations, and taking additional steps
3 to conserve natural resources and prevent pollution.

4 (j) “Metal plating facility” means an establishment primarily
5 engaged in all types of electroplating, plating, anodizing,
6 coloring, and finishing of metals and formed products for the
7 trade. *Metal plating facility includes a chrome plating facility.*

8 (k) “Model Shop Program” means the voluntary pollution
9 prevention program developed by the Department of Toxic
10 Substances Control with assistance from the Los Angeles City
11 Bureau of Sanitation, Sanitation Districts of Los Angeles County,
12 and the Metal Finishing Association of Southern California, to
13 assist the metal plating industry in identifying possible sources of
14 pollution and developing alternative business practices in order
15 to run cleaner, safer shops.

16 (l) “National Metal Finishing Strategic Goal Program” means
17 the voluntary program established through a partnership between
18 the United States Environmental Protection Agency and the
19 metal finishing industry that encourages companies to move
20 beyond environmental compliance by offering participants
21 incentives, resources, and means for removing regulatory and
22 policy barriers as they work to achieve specific environmental
23 goals.

24 (m) “Pollution prevention” means the same as source
25 reduction, as defined by subdivision (e) of Section 25244.14 of
26 the Health and Safety Code.

27 (n) “Sensitive receptor” means a school, general acute care
28 hospital, long-term health care facility, and child day care
29 facility. For purposes of this subdivision, “general acute care
30 hospital” has the meaning provided by subdivision (a) of Section
31 1250 of the Health and Safety Code, “long-term health care
32 facility” has the meaning provided by subdivision (a) of Section
33 1418 of the Health and Safety Code, and “child day care facility”
34 has the meaning provided by Section 1596.750 of the Health and
35 Safety Code.

36 (o) “Water board” means the State Water Resources Control
37 Board.

38 *SEC. 30. Section 42101 of the Public Resources Code is*
39 *amended to read:*

1 42101. (a) The agency shall work with the department, the
2 air board, and the water board to develop a loan guarantee
3 program, through its existing relationship with the Financial
4 Development Corporations (FDCs) located throughout the state,
5 to assist ~~chrome~~ metal plating facilities in purchasing high
6 performance environmental control equipment or technologies
7 that will enable that facility to meet new or exceed existing
8 regulatory requirements, or both, and implement additional
9 pollution prevention opportunities.

10 (b) In establishing the loan guarantee program pursuant to
11 subdivision (a), the agency shall make every effort to integrate
12 and leverage existing financing mechanisms for this new
13 program, including the Treasurer's California Pollution Control
14 Financing Authority California Capital Access Program
15 (CalCAP), and the California Infrastructure and Economic
16 Development Bank's (I-Bank) Revenue Bond program.

17 *SEC. 31. Section 42101.1 of the Public Resources Code is*
18 *amended to read:*

19 42101.1. The agency shall only make loan guarantees
20 available to applicants that meet all of the following eligibility
21 requirements:

22 (a) The applicant is a small business, as defined in subdivision
23 (d) of Section 14837 of the Government Code.

24 (b) The applicant owns or operates a ~~chrome~~ metal plating
25 facility.

26 (c) The applicant satisfies one of the following conditions:

27 (1) Has completed or is currently participating in the Model
28 Shop Program for ~~chrome~~ metal platers.

29 (2) Has completed or is currently participating in the National
30 Metal Finishing Strategic Goals Program.

31 (3) Is participating in a green business program whose goals
32 are consistent with the pollution prevention and natural resource
33 conservation elements of the Model Shop Program.

34 (4) Is certified as a green business whose goals are consistent
35 with the pollution prevention and natural resource conservation
36 elements of the Model Shop Program.

37 (d) Funds are not obtainable, upon reasonable terms, from
38 financial companies, without a loan guarantee.

39 (e) The applicant demonstrates that the facility meets new or
40 exceeds existing regulatory requirements, or both, has no

1 pending local, state, or federal enforcement or correction actions,
2 and is participating in or has completed additional pollution
3 prevention activities.

4 *SEC. 32. Section 42104 of the Public Resources Code is*
5 *amended to read:*

6 42104. The department shall establish the Model Shop
7 Program in northern California by replicating the existing
8 ~~Chrome Metal Plating~~ Model Shop Pilot Program, which is
9 currently available only to southern California ~~chrome metal~~
10 plating facilities. In selecting participants for inclusion in the
11 Model Shop Program, the department shall specifically consider
12 proximity of the facility to sensitive receptors and residences and
13 coordinate with existing enforcement activities.

14 *SEC. 33. Section 325.6 is added to the Unemployment*
15 *Insurance Code, to read:*

16 325.6. (a) *It is the intent of the Legislature that state*
17 *supported Veterans Employment Training services meet the same*
18 *performance standards as those required by the federal*
19 *Workforce Investment Act for services provided to veterans.*

20 (b) *Following any fiscal year in which state funds support the*
21 *Veterans Employment Training services program, the*
22 *Employment Development Department shall provide an annual*
23 *report to the Legislature, on or before November 1, regarding*
24 *the following performance measures:*

25 (1) *The number of veterans receiving individualized, case*
26 *managed services.*

27 (2) *The number of veterans who receive individualized, case*
28 *managed services entering employment.*

29 (3) *The retention rate for veterans who enter employment.*

30 (4) *The average earnings for veterans entering employment.*

31 *SEC. 34. Section 5066 of the Vehicle Code is amended to*
32 *read:*

33 5066. (a) The department ~~shall~~, in conjunction with the
34 California Highway Patrol, *shall* design and make available for
35 issuance pursuant to this article the California memorial license
36 plate. Notwithstanding Section 5060, the California memorial
37 license plate may be issued in a combination of numbers or
38 letters, or both, as requested by the applicant for the plates. ~~Any~~
39 A person described in Section 5101 ~~may~~, upon payment of the

1 additional fees set forth in subdivision (b), *may* apply for and be
2 issued a set of California memorial license plates.

3 (b) In addition to the regular fees for an original registration or
4 renewal of registration, the following additional fees shall be
5 paid for the issuance, renewal, retention, or transfer of the
6 California memorial license plates authorized pursuant to this
7 section:

8 (1) For the original issuance of the plates, fifty dollars (\$50).

9 (2) For a renewal of registration of the plates or retention of
10 the plates, if renewal is not required, forty dollars (\$40).

11 (3) For transfer of the plates to another vehicle, fifteen dollars
12 (\$15).

13 (4) For each substitute replacement plate, thirty-five dollars
14 (\$35).

15 (5) In addition, for the issuance of an environmental license
16 plate, as defined in Section 5103, the additional fees ~~prescribed~~
17 ~~in required pursuant to~~ Sections 5106 and 5108 shall be
18 deposited proportionately in the funds described in subdivision
19 (c).

20 (c) The department shall deposit the additional revenue
21 derived from the issuance, renewal, transfer, and substitution of
22 California memorial license plates as follows:

23 (1) Eighty-five percent in the Antiterrorism Fund, which is
24 hereby created in the General Fund.

25 (A) Upon appropriation by the Legislature, one-half of the
26 money in the fund shall be allocated by the Controller to the
27 Office of ~~Criminal Justice Planning~~ *Emergency Services* to be
28 used solely for antiterrorism activities. The office ~~may~~ *shall* not
29 use more than 5 percent of the ~~funds~~ *money* appropriated to it for
30 administrative purposes.

31 (B) Upon appropriation by the Legislature in the annual
32 Budget Act or in another statute, one-half of the money in the
33 fund shall be used solely for antiterrorism activities.

34 (2) Fifteen percent in the California Memorial Scholarship
35 Fund, which is hereby established in the General Fund. ~~Moneys~~
36 *Money* deposited in this fund shall be administered by the
37 Scholarshare Investment Board, and shall be available, upon
38 appropriation in the annual Budget Act or in another statute, for
39 distribution or encumbrance by the board pursuant to Article 21.5

1 (commencing with Section 70010) of Chapter 2 of Part 42 of the
2 Education Code.

3 (d) The department shall deduct its costs to administer, but not
4 to develop, the California memorial license plate program. The
5 department may utilize an amount of money, not to exceed fifty
6 thousand dollars (\$50,000) annually, derived from the issuance,
7 renewal, transfer, and substitution of California memorial license
8 plates for the continued promotion of the California memorial
9 license plate program of this section.

10 (e) ~~“Antiterrorism—~~*For the purposes of this section,*
11 *“antiterrorism activities” means activities related to the*
12 *prevention, detection, and emergency response to terrorism that*
13 *are undertaken by state and local law enforcement, fire*
14 *protection, and public health agencies. The funds provided for*
15 *these activities, to the extent that funds are available, shall be*
16 *used exclusively for purposes directly related to fighting*
17 *terrorism. Eligible activities include, but are not limited to, hiring*
18 *support staff to perform administrative tasks, hiring and training*
19 *additional law enforcement, fire protection, and public health*
20 *personnel, response training for existing and additional law*
21 *enforcement, fire protection, and public health personnel, and*
22 *hazardous materials and other equipment expenditures.*

23 (f) Beginning January 1, 2007, and each January 1 thereafter,
24 the department shall determine the number of currently
25 outstanding and valid California memorial license plates. If that
26 number is less than 7,500 in any year, then the department shall
27 no longer issue or replace those plates.

28 *SEC. 35. Article 18.9 (commencing with Section 749.5) is*
29 *added to Chapter 2 of Part 1 of Division 2 of the Welfare and*
30 *Institutions Code, to read:*

31
32 *Article 18.9. Juvenile Justice Community Reentry Challenge*
33 *Grant Program*
34

35 *749.5. This article shall be known and may be cited as the*
36 *Juvenile Justice Community Reentry Challenge Grant Program.*

37 *749.6. It is the intent of the Legislature to support the*
38 *systematic and cultural transformation of the Division of*
39 *Juvenile Justice into a rehabilitative model that improves*
40 *youthful offender outcomes and reduces recidivism. As a key*

1 *component of meeting these goals, it is further the intent of the*
2 *Legislature to support the development of local infrastructure*
3 *that provides comprehensive reentry services for juvenile*
4 *parolees. These services shall be complementary to, and*
5 *consistent with, the long-term objective of providing a continuum*
6 *of state and local responses to juvenile delinquency that enhance*
7 *public safety and improve offender outcomes.*

8 749.7. (a) *The Juvenile Justice Community Reentry*
9 *Challenge Grant Program shall be administered by the Division*
10 *of Juvenile Justice, in consultation with the Corrections*
11 *Standards Authority, for the purpose of improving the*
12 *performance and cost-effectiveness of postcustodial reentry*
13 *supervision of juvenile parolees, reducing the recidivism rates of*
14 *juvenile offenders, and piloting innovative reentry programs*
15 *consistent with the division's focus on a rehabilitative treatment*
16 *model.*

17 (b) *This program shall award grants on a competitive basis to*
18 *applicants that demonstrate a collaborative and comprehensive*
19 *approach to the successful community reintegration of juvenile*
20 *parolees, through the provision of wrap-around services that*
21 *may include, but are not limited to, the following:*

22 (1) *Transitional or step-down housing, including, but not*
23 *limited to, group homes subject to Section 18987.62.*

24 (2) *Occupational development and job placement.*

25 (3) *Outpatient mental health services.*

26 (4) *Substance abuse treatment services.*

27 (5) *Education.*

28 (6) *Life skills counseling.*

29 (7) *Restitution and community service.*

30 (8) *Case management.*

31 (9) *Intermediate sanctions for technical violations of*
32 *conditions of parole.*

33 (c) *To be eligible for consideration, applicants shall submit a*
34 *program plan that includes, but is not limited to, the following:*

35 (1) *The target population.*

36 (2) *The type of housing and wrap-around services provided.*

37 (3) *A parole and community reentry plan for each parolee.*

38 (4) *Potential sanctions for a parolee's failure to observe the*
39 *conditions of the program.*

1 (5) *Coordination with local probation and other law*
2 *enforcement agencies.*

3 (6) *Coordination with other service providers and community*
4 *partners.*

5 749.8. (a) *The Division of Juvenile Justice, in consultation*
6 *with the Corrections Standards Authority, shall award grants*
7 *that provide funding for three years on a competitive basis to*
8 *counties and nonprofit organizations.*

9 (b) *A minimum of 75 percent of the grant award shall be for*
10 *providing program services to individuals on parole from the*
11 *Division of Juvenile Justice. The remainder of the grant award*
12 *may additionally be used for providing program services to*
13 *youthful offenders under the jurisdiction of the county or local*
14 *juvenile court who are transitioning from out-of-home*
15 *placements back into the community.*

16 (c) *The division shall award grants in a manner that*
17 *maximizes the development of meaningful and innovative local*
18 *programs to provide comprehensive reentry services for juvenile*
19 *parolees.*

20 (d) *For any grant award, the division shall work with the*
21 *juvenile court and the probation department of the county or*
22 *counties in the grant service area to identify state and local case*
23 *supervision responsibilities that are appropriate for the effective*
24 *operation and management of the reentry programs supported by*
25 *the grant. These responsibilities shall be incorporated into a case*
26 *supervision plan for the grant that shall describe the role of local*
27 *courts and probation departments in facilitating individual*
28 *reentry plans, in assigning or removing parolees from*
29 *grant-funded programs, and in meeting evaluation criteria for*
30 *the grant.*

31 749.9. *The Division of Juvenile Justice, in consultation with*
32 *the Corrections Standards Authority, the Chief Probation*
33 *Officers of California, and experts in the field of California*
34 *juvenile justice programs, shall establish minimum standards,*
35 *funding schedules, and procedures for awarding grants, which*
36 *shall take into consideration, but not be limited to, all of the*
37 *following:*

38 (a) *The size of the eligible population.*

39 (b) *A demonstrated ability to administer the program.*

1 (c) A demonstrated ability to develop and provide a
2 collaborative approach to improving parolee success rates that
3 includes the participation of nonprofit and community partners.

4 (d) A demonstrated ability to provide comprehensive services
5 to support improved parolee outcomes, including housing,
6 training, and treatment.

7 (e) A demonstrated ability to provide effective oversight and
8 management of youthful offenders or young adults who have
9 been committed to a detention facility, and parolees that require
10 reentry supervision and control.

11 (f) A demonstrated history of maximizing federal, state, local,
12 and private funding sources.

13 749.95. (a) Each grant recipient shall be required to
14 establish and track outcome measures, including, but not limited
15 to:

16 (1) Annual recidivism rates, including technical parole
17 violations and new offenses.

18 (2) The number and percent of participants successfully
19 completing parole.

20 (3) The number and percent of participants engaged in
21 part-time or full-time employment, enrolled in higher education
22 or vocational training, receiving drug and substance abuse
23 treatment, or receiving mental health treatment.

24 (4) The number and percent of participants that obtain stable
25 housing, including the type of housing.

26 (b) The Division of Juvenile Justice, in consultation with the
27 Corrections Standards Authority, the Chief Probation Officers of
28 California, and experts in the field of California juvenile justice
29 programs, shall create an evaluation design for the Juvenile
30 Justice Community Reentry Challenge Grant Program that will
31 assess the effectiveness of the program. The division shall
32 develop an interim report to be submitted to the Legislature on or
33 before March 1, 2009, and a final analysis of the grant program
34 in a report to be submitted to the Legislature on or before March
35 1, 2011.

36 SEC. 36. By February 1, 2007, the Department of Veterans
37 Affairs shall submit a report to the fiscal committees of both
38 houses of the Legislature regarding possible strategies for
39 increasing the number of California veterans receiving federal
40 benefits. The department shall consult with county veterans'

1 service officers, veterans' service organizations, the Department
2 of Finance, the Legislative Analyst's office, and legislative staff
3 to develop the report required by this section. The department
4 shall consider the impact of demographics, county of residence,
5 and service records on the attainment of these benefits. The
6 report shall also include an analysis of best practices from other
7 states.

8 SEC. 37. (a) It is the intent of the Legislature to provide a
9 means to correct errors made in calculating the contributions by
10 the state to the Teachers' Retirement Fund and the Supplemental
11 Benefit Maintenance Account in the Teachers' Retirement Fund.
12 The actuary of the Teachers' Retirement Board has identified
13 errors during fiscal years 2002–03, 2003–04, 2004–05, and
14 2005–06.

15 (b) Notwithstanding Sections 22954 and 22955 of the
16 Education Code and any other provisions of law to the contrary,
17 the following accounting adjustments shall be made:

18 (1) Notwithstanding the creditable compensation calculation
19 of October 1, 2005, by the Teachers' Retirement Board for the
20 2006–07 fiscal year, the continuous appropriation described in
21 subdivision (b) of Section 22954 of the Education Code for the
22 2006–07 fiscal year shall be based on the creditable
23 compensation calculation of March 2006 by the Teachers'
24 Retirement Board. The appropriation based on that March 2006
25 calculation is less than the appropriation based on the October
26 1, 2005, calculation, in the amount of one million seven hundred
27 six thousand six hundred eighteen dollars (\$1,706,618).

28 (2) For fiscal year 2004–05, the amount appropriated as
29 described in subdivision (b) of Section 22954 of the Education
30 Code exceeds the amount required to be paid by the state in the
31 amount of one million ninety-two thousand eight hundred
32 sixty-five dollars (\$1,092,865). The amount described in this
33 paragraph shall be applied as a credit to the state for the
34 appropriation described in paragraph (1) of this subdivision.

35 (3) Notwithstanding the creditable compensation calculation
36 of October 1, 2005, by the Teachers' Retirement Board for the
37 2006–07 fiscal year, the continuous appropriation described in
38 subdivision (a) of Section 22955 of the Education Code for the
39 2006–07 fiscal year shall be based on the creditable
40 compensation calculation of March 2006 by the Teachers'

1 Retirement Board. The appropriation based on that March 2006
2 calculation is less than the appropriation based on the October
3 1, 2005, calculation, in the amount of one million three hundred
4 seventy-seven thousand eight hundred seventy dollars
5 (\$1,377,870).

6 (4) For fiscal year 2004–05, the amount appropriated as
7 described in subdivision (a) of Section 22955 of the Education
8 Code exceeds the amount required to be paid by the state in the
9 amount of eight hundred eighty-one thousand seven hundred
10 twenty-three dollars (\$881,723). The amount described in this
11 paragraph shall be applied as a credit to the state for the
12 appropriation described in paragraph (3) of this subdivision.

13 (5) For fiscal years 2002–03, 2003–04, 2004–05, and
14 2005–06, the amount appropriated as described in subdivision
15 (b) of Section 22955 of the Education Code exceeds the amount
16 required to be paid by the state in the amount of one hundred
17 twenty-two million six hundred thousand two hundred thirteen
18 dollars (\$122,600,213). The amount described in this paragraph
19 shall be applied as a credit to the state for the appropriation
20 described in subdivision (b) of Section 22955 of the Education
21 Code for the 2006–07 fiscal year.

22 SEC. 38. The accounting adjustments described in Section 37
23 of this act shall require all of the following:

24 (a) On July 1, 2006, for the 2006–07 fiscal year and in
25 addition to the amount that would otherwise be appropriated for
26 the Supplemental Benefit Maintenance Account as described in
27 subdivision (b) of Section 22954 of the Education Code, there
28 shall be an appropriation from the General Fund to the
29 Controller for transfer to the Supplemental Benefit Maintenance
30 Account in the Teachers' Retirement Fund in the amount of six
31 hundred thirteen thousand seven hundred fifty-three dollars
32 (\$613,753).

33 (b) On July 1, 2006, for the 2006–07 fiscal year and as
34 described in this act, the appropriation described in subdivisions
35 (a) and (b) of Section 22955 of the Education Code from the
36 General Fund to the Controller for transfer to the Teachers'
37 Retirement Fund shall be reduced by one hundred twenty-two
38 million one hundred four thousand sixty-six dollars
39 (\$122,104,066).

1 SEC. 39. *The Legislature finds and declares that the addition*
2 *of Section 84602.1 to the Government Code by Section 19 of this*
3 *act furthers the purpose of the Political Reform Act of 1974*
4 *within the meaning of subdivision (a) of Section 81012 of the*
5 *Government Code.*

6 SEC. 40. (a) *In enacting Section 21 of this act, the*
7 *Legislature finds and declares all of the following:*

8 (1) *The Housing and Emergency Shelter Trust Fund Act of*
9 *2002 provided fifteen million dollars (\$15,000,000) through the*
10 *voter approval of Proposition 46 at the November 5, 2002,*
11 *statewide general election for the purpose of funding student*
12 *housing through the Multifamily Housing Program.*

13 (2) *Pursuant to that act, any funds not used for student*
14 *housing within 24 months of availability are to be awarded*
15 *pursuant to the Downtown Rebound Program for loans to project*
16 *sponsors for the adaptive reuse of vacant or underused*
17 *commercial or industrial structures into rental housing located*
18 *within an elementary school attendance area where 50 percent*
19 *or more of the pupils are eligible for free meals under the federal*
20 *school lunch program to be occupied by households having an*
21 *income not exceeding 150 percent of area median income,*
22 *pursuant to paragraph (1) of subdivision (c) of Section 50898.2.*

23 (3) *As of November 7, 2005, student housing funds remained*
24 *after 24 months of availability. However, demand for funds under*
25 *the Adaptive Reuse Program has proven to be lower than*
26 *originally anticipated. Therefore, there is a likelihood that any*
27 *unused student funds made available to the Adaptive Reuse*
28 *Program may remain unused for an extended period of time.*

29 (4) *In approving the Housing and Emergency Shelter Trust*
30 *Fund Act of 2002, the voters expressly reserved to the*
31 *Legislature the authority to make program revisions where*
32 *necessary for the effectiveness or efficiency in meeting the*
33 *purposes of the various programs.*

34 (b) *Therefore, the Legislature determines that a more efficient*
35 *and effective use of unused student housing funds would be to*
36 *make these funds available to transit oriented Downtown*
37 *Rebound Program rental housing projects as described in*
38 *paragraph (3) of subdivision (a) of Section 50898.1 for which*
39 *there is a higher demand for funds.*

1 *SEC. 41. This act is an urgency statute necessary for the*
2 *immediate preservation of the public peace, health, or safety*
3 *within the meaning of Article IV of the Constitution and shall go*
4 *into immediate effect. The facts constituting the necessity are:*

5 *In order to make the necessary changes to implement the*
6 *Budget Act of 2006 at the earliest possible time, it is necessary*
7 *that this act take effect immediately.*

O